

What Goes Around Comes Around

Factors Motivating Chinese Employees in Scandinavian Multinational Companies

School of Business, Economics, and Law, Gothenburg
International Business FEG31E
Bachelor Thesis

Frosth Hertzberg, Carolina 870904-2983
Wennerholm Ericson, Astrid 870508-0045

Tutor: Dolles, Harald



UNIVERSITY OF GOTHENBURG
SCHOOL OF BUSINESS, ECONOMICS AND LAW

7/6/2011

Abstract

Due to China's economic development and potential, the nation is of great significance to Scandinavian countries. With foreign direct investments steadily increasing in China, connections are strengthened and a deeper integration, affecting both societies, is realized. Our thesis strives to explain part of the complexity regarding cross cultural management; how a workforce can be successfully motivated. Our purpose is to investigate what Chinese office workers consider as satisfying and motivating, and if the Scandinavian business culture, characterized as open and non-hierarchical, is appreciated by Chinese employees. The empirical data is collected through qualitative interviews using the research conducted by Frederick Herzberg *et al.* (1968, 1974, and 1993) and Geert Hofstede (1983, 1991, and 2001) as a base. Our empirical findings amongst employees occupying both managerial and non-managerial positions at two companies within the apparel business describe a more modern Chinese worker, colored by the turbulent history of China, yet increasingly influenced by the West. The outcome suggests that achievement, growth and salary are seen as the most significant factors generating satisfaction among the Chinese workers. It is also indicated that titles, and therefore promotion, are of importance when wanting to create long-term satisfaction at work. The Scandinavian company culture inspires to achievement and personal development, but Chinese and Scandinavian mind-sets are described as diverse, which needs to be taken into consideration when cooperating across borders.

Keywords: *Work motivation, Cross-cultural management, China, Scandinavia, Culture.*

Acknowledgements

We would like to thank:

Harald Dolles, for your valuable comments and guidance along the way.

Management and employees at BESTSELLER and Lindex, for your participation and contribution to our thesis.

Table of Contents

Abstract	
Keywords: <i>Work motivation, Cross-cultural management, China, Scandinavia, Culture</i>	
Acknowledgements	
List of Figures.....	
1. Introduction	1
1.1 Background.....	1
1.2 Purpose	2
1.3 Research Questions.....	3
1.4 Limitations	4
1.5 Disposition.....	4
2. Theoretical Framework	5
2.1 History: China and Scandinavia	5
2.1.1 History of China.....	5
2.1.2 History of Scandinavia: Sweden and Denmark	6
2.2 Fredrick Herzberg: Motivation-Hygiene Theory	7
2.2.1 Motivators versus Hygiene Factors.....	7
2.2.2 First- and Second-Level Factors - Introduction	9
2.2.3 First-level factors	9
2.2.4 Second-Level Factors.....	11
2.3 Geert Hofstede: Cultural Dimension Theory.....	11
2.3.1 Hofstede's Cultural Dimensions Applied on China and Scandinavia	12
2.3.2 Individualism versus Collectivism.....	13
2.3.3 Power Distance	14
2.3.4 Uncertainty Avoidance	15
2.3.5 Masculinity versus Femininity.....	16
2.3.6 Long-Term versus Short-Term Orientation	17
2.3.7 Indulgence versus Restraint	18
2.4 Additional Studies	19
2.5 What We Can Expect	21
3. Methodology	23
3.1 Choice of Method	23

3.2 Data collection	24
3.2.1 Secondary data	25
3.2.2 Primary data	25
3.3 Research Quality and Reliability	28
3.3.1 Research Quality	28
3.3.2 Reliability	29
3.3.3 Criticism of Literature	29
3.4 Choice of Companies	30
4. Company Descriptions	31
4.1 BESTSELLER	31
4.2 Lindex	32
5. Empirical Findings	33
5.1 Employees View	33
5.1.1 Satisfaction among Chinese Employees	33
5.1.2 Satisfaction in Personal Life among Chinese	35
5.1.3 Other Motivational Factors	37
5.1.4 Appreciation at Work	39
5.1.5 Cultural Differences: The Role of the Company	39
5.1.6 Cultural Differences between Employees	40
5.1.7 Recent Changes Regarding Companies' Roles	42
5.2 Managers View	42
6. Analysis	45
6.1 Achievement, Growth and Salary: The Importance of Corporate Culture, Historical Heritage and Personal Success	45
6.2 Other Aspects: Much Talk, Little Action?	50
6.3 Scandinavian and Chinese Employees: Same Same but Different?	52
7. Conclusion	53
8. Implications for Management	55
9. Suggestions for Future Research	56
10. List of interviews	58
11. Reference List	59
12. Appendix	65
Appendix 1	65
Appendix 2	66
Appendix 3	70

List of Figures

Figure	Name	Page
Figure 1.	Motivators versus Hygiene Factors	7
Figure 2.	Hofstede’s Cultural Dimensions	13
Figure 3.	Chinese Culture	65
Figure 4.	Scandinavian Culture	65

1. Introduction

1.1 Background

“The achievements of an organization are the results of the combined effort of each individual”
(Lombardi, 2010).

This quotation sheds light to many of the issues organizations are dealing with on a daily basis; how to motivate employees and thereby increase their performance. As the concept of motivation is discussed by many scholars within the field, Herzberg (1993), amongst others, the possible solutions for these issues are numerous. Complicating the situation further, how motivation is perceived in various nations varies to a large extent (Hofstede, 2001; Trompenaars, 1996) and how organizations deal with this complex matter is something we believe to be interesting. As our title indicates, what goes around most likely comes around, wherefore having motivated employees is crucial to an enterprise wanting to perform well.

This dissertation will investigate motivation among Chinese employees and having the Chinese history in mind when reading our case study is essential. China has, during the past years, gone through significant economic, social and cultural change affecting both everyday life and ways of doing business, both within China and world-wide. With Deng Xiaoping as the head of reformation in the 1970's, there has been a process of phased liberalization, with an opening of markets under the watchful eye of the Communist Party. In 1978, an economic reformation was initiated after years of following the earlier leader Mao Zedong's socialistic approach, which attempted to industrialize China by collectivizing the agriculture industry. The unsuccessful restructuring lead to a non-working society and caused the deaths of twenty million people. After these years of failure, China gradually liberalized and changed, with economic and social reforms, and an increased opening towards the rest of the world, creating an integrated world power. Only a few decades of economic development have lifted around 300 million people out of poverty (Sweden Abroad, 2011).

China is rapidly growing, with a GDP increase of 10.3 per cent in 2010 (Sweden Abroad, 2010), and is seen as lucrative market for Scandinavian enterprises. As inward Foreign Direct Investment (FDI) in China has steadily augmented, (Swedish Trade, 2011b) issues of cross cultural management are also increasing in number; how much of a company's culture can, or should, be kept when establishing affiliates abroad (Hill, 2010). Human resource management is a fairly new attribute in China and did not exist before the reformation; people had life-time employments and the Chinese were not able to choose where to work, let alone influence their salaries. From the reformation in the 1970's, the employment system and its practices, driven by a socialist market economy, have undergone remarkable change. Moving away from a policy of full employment, therewith breaking the iron rice-bowl system, decentralizing employment practices and the emergence of a free labor market are changes still ongoing today (Zhu and Dowling, 2000).

The Scandinavian corporate culture is described as open, flat and encouraging (Hofstede, 2001) and thereby indicates a different approach than the Chinese are accustomed to with reference to their history. This thesis aims to evaluate what satisfies Chinese employees and whether this correlates with Scandinavian corporate culture to some extent.

1.2 Purpose

The purpose of this thesis is to evaluate how Chinese office workers are satisfied and thereby motivated in Scandinavian-founded companies, conducted through a case study of BESTSELLER and Lindex. Our problematization will be stressed and evaluated by applying research conducted by Herzberg and Hofstede, adding additional theories were we believe the findings of the two named scholars to be inadequate. Due to what we can expect, a certain focus on remuneration system is believed to be of importance for the Chinese employees, wherefore additional theories regarding this aspect are added to increase the quality of our dissertation.

This subject was chosen due to China's importance to Scandinavia and we argue that the level of integration is intensified since inward FDI is increasing (Sweden Abroad, 2010). Therefore,

cultural understanding is a condition for well-functioning organizations. As clarified by Hofstede (2001), China's and Scandinavian countries' cultures differ given the factors of power distance, level of masculinity and individualism, and also other dimensions; these differences are believed reflected in nations' respective corporate cultures. We aim to describe important motivational attributes that can be of assistance to both managers and, moreover, to Scandinavian employees working in China aiming to better understand their Chinese colleagues. An investigation will be conducted to determine whether Chinese preferences regarding what is satisfying and motivating are to some extent in correlation with Scandinavian culture and working values, and whether Scandinavian corporate culture, defined as flat and open (Hofstede, 1983, 1991, 2001), is appreciated by the Chinese.

Furthermore, due to the size and the cultural diversity within China (Verstappen, 2010), we center our attention on Shanghai, where both companies investigated are located. Shanghai is a city characterized as modern with secondary and tertiary industries representing almost one hundred per cent of the city's industrial sectors (Shanghai Municipal Government, 2009). The area is also of interest to foreign investors due to its coastal position and, a large and well-educated workforce (Nationalencyklopedin, 2011).

1.3 Research Questions

Given the purpose of the dissertation, our research questions are consequently:

- 1) Which are the most important factors satisfying and motivating Chinese office workers at Scandinavian founded companies in Shanghai, China?
- 2) Are there similarities or dissimilarities regarding factors satisfying and motivating Chinese workers when compared to Scandinavian work and cultural values?

1.4 Limitations

When evaluating the results of this dissertation and conducting an analysis, the following limitations should be taken into consideration:

- The geographical limitation is of importance as this study focuses on Scandinavian enterprises operating in Shanghai. One should be aware of the fact that the result is not applicable to the whole China but only to the Shanghai area. As is discussed, the Shanghai area is in many ways more westernized than the rest of China with its cultural and ethnic diversities (Sweden Abroad, 2011b).
- National culture, as observed by Hofstede (1983, 1991, and 2001), is not pertinent on all individuals and we emanate from the personalities given.
- In our dissertation, Scandinavian enterprises originating from Sweden and Denmark are studied and, with their similar values and history, treated as one area (Schramm-Nielsen, Lawrence and Sivesind, 2004). In this regard, Norway and Finland are not part of the term Scandinavia.
- Considering previous research conducted within the field of motivation, the awareness of its western origin is crucial. To China, with its different work values and history, the relevance or non-relevance of these studies are discussed amongst researchers but are not of further focus throughout this thesis (Jackson and Bak, 1998).

1.5 Disposition

The *Theoretical Framework* introduces the reader to Herzberg (1968, 1974, and 1993) and his two-factor theory followed by the cultural dimensions of Geert Hofstede (1983, 1991, and 2001). At the end of the theoretical framework, other additional theories are briefly introduced, articles within the field that we find of interest to the study are discussed as well as a comment regarding what could be expected of our empirical findings is made. A *Methodology Chapter* follows where an explanation to the method of our case study is given as well as highlighting the validity and quality of our research. In the *Empirical Chapter* our empirical data is compiled and divided into the key areas of investigation. An *Analysis* concerning our findings is presented after the results

and lastly, a *Conclusion* summarizing our main result is presented, followed by a chapter regarding *Implications for Management and Suggestions for Future Research*.

2. Theoretical Framework

We have chosen to focus on the theories of Geert Hofstede and Frederick Herzberg, considered to be our main theories. Using Herzberg's two factor theory enables us to analyze the concept of motivation, providing a perspective on the term 'motivation'. As we not only investigate a foreign culture, but attempt also to obtain a perspective on what Scandinavian values are perceived to be, Hofstede's cultural dimensions are presented. Before introducing the findings of Herzberg and Hofstede, we give a brief introduction to Chinese and Scandinavian culture and history. Furthermore, an introduction to other selected theories and articles is provided and the chapter will be concluded with a statement regarding our expectations of the empirical findings.

2.1 History: China and Scandinavia

2.1.1 History of China

In 221 BC, Emperor Qin Shi Huangdi laid the foundation for the initial centralized empire. China grew to be the leading country in many areas, during the following 1000 years, but the development stagnated under the age of the next coming dynasties. The Europeans reached China and dominated the country during the nineteenth-century. The emperorship of China was overthrown in 1911 and a period of political disturbance followed. Mao Zedong proclaimed the Peoples Republic of China in 1949. Mao and the Communist Party tried to re-organize the society, which resulted in economic and social problems. Lead by Deng Xiaoping in 1978, China's revolutionizing economic and social transition was launched out and increased openness, and moved China closer to the rest of the world, in terms of availability for doing business. The old China, the China affected by severe famine, consisted of farmers, villagers and factory worker. Today, still surrounded by 4000 years of history and strong tradition, wealth and luxury appertain to everyday life for many, average Chinese. The changes are most remarkable in cities on the east coast, now seaports reaching the rest of the world. Still there are differences and inequality in the country (Sweden Abroad, 2011b). China is changing at a rapid pace, influencing

and being influenced by the West, and during 2011, is the engine of the economic upturn (Swedish Trade, 2011a). China is unique, enormous in its size and immense in its variety of different landscapes and cultures within the country (Verstappen, 2010). In China, the teachings of *Confucius* are still important today, with watchwords of respect towards seniors, benignity and strong family values. Confucius lived around 500 BC and was an influential Chinese philosopher who “left lessons in practical ethics without a religious content” (Hofstede & Minkov, 2010). *Guanxi*, relationships, and *face-value*, concerning respect and reputation, are of great significance in Chinese society and culture. More elaborate, *guanxi* refers to the significant importance of a good personal network, in private life and work situations, and is deeply rooted in the Chinese society. Regarding *face-value*, it is connected to *guanxi* since it concerns creating and keeping one’s own, and others’, good reputation in every situation. These are values extremely important in China and should not be forgotten when visiting the country (Noronha, 2009).

2.1.2 History of Scandinavia: Sweden and Denmark

Scandinavia is a well-developed, rich and technologically advanced part of the world, working consistently for equality (Schramm-Nielsen *et al*, 2004). The area shares some common features of constitutional hereditary monarchies and the power lies in the hands of Parliament. The three countries share an old and important history of cooperation but also of conflict and war (Schramm-Nielsen *et al*, 2004).

Scandinavia shares a common ideology concerning welfare and wage equality. Social benefits are seen as privileges to all people, working and non-working, and wages have historically been high in comparison to many other countries. In a time of globalization, the salary level has affected certain production in the three countries, as it moves to other, less expensive, areas of Europe and Asia. Still, unemployment is lower than in the rest of Europe, showing an ability to adapt to changes in international markets. The labor force is, in general, well-educated and the area has a high level of competitiveness, with regards to both blue and white-collar workers. Also important to mention is the almost non-existent corruption in the region, as well as it still being largely viewed as efficient (Schramm-Nielsen *et al*, 2004). In general, Scandinavians take interest in their own learning process, driven by intrinsic internal ambition to succeed and are described as correct, ethical, very reliable and rational. The egalitarianism culture in Scandinavia further shed

light to the importance of democracy and to the people's right to express their opinions in every situation and environment (Bjerke, 1999).

2.2 Fredrick Herzberg: Motivation-Hygiene Theory

The motivation-hygiene theory, the two-factor theory, was conducted by Fredrick Herzberg, Bernard Mausner and Barbara Bloch Snyderman in 1959 and is today one of the most common theories referred to when discussing motivating factors in a working environment (Bassett-Jones, N., & Lloyd G. C, 2005).

2.2.1 Motivators versus Hygiene Factors

Even though the initial study is over fifty years old, the main features of Herzberg's theories, that *motivators*, create long-term motivation whereas the *hygiene factors* are not motivational, but can create satisfaction on a short-term basis (Herzberg, 1968), is still valid and thereby of importance to our dissertation (Bassett-Jones, N., & Lloyd G. C, 2005).

Motivators

- Achievement
- Recognition
- Work Itself
- Responsibility
- Growth
- Advancement

Hygiene

- Company Policies
- Supervision
- Relationship with Supervisor
- Physical Working Conditions
- Salary
- Relationship with Peers
- Personal Life
- Relationship with subordinates
- Status
- Security

Figure 1. Motivators versus Hygiene Factors

Herzberg stated that the *motivators* are “achievement, recognition for achievement, work itself, responsibility, growth and advancement” These are factors that are related to the *content* of a person’s work and are, according to Herzberg, the driving factors behind job satisfaction (Herzberg, 1974). Achievement can be described as success factor involving sequences such as successful accomplishment of a task, solutions to problems arisen and receiving good results (Herzberg *et al.*, 1993). Recognition simply involves “some act of recognition” from supervisor, colleagues etcetera from which satisfaction is felt (Herzberg *et al.*, 1993:45). Work itself is referred to when describing the work itself or the tasks as motivating. Responsibility includes sequences from which the respondents felt satisfied from gaining responsibility, both for one’s own tasks or for others’. Growth relates both to growth within the organization as well as growing as a person, increasing satisfaction. Advancement refers to being motivated by a change in “status or position of the person in the company” (Herzberg *et al.*, 1993:46) Furthermore, motivators are closely related to the concept of Maslow’s self-actualization (1958) and as stated by Herzberg (1974): “Personal growth is the end goal of the motivators, while achievement is the starting point for any personal growth”. Maslow’s “Needs Hierarchy” can therefore be applied here, as Herzberg *et al.* argue self-development and growth to be representing the highest level of personal potential (Maslow, 1958).

Hygiene factors, on the other hand, can both create and remove dissatisfaction wherefore the hygiene factors are important to bear in mind when creating a satisfying working environment for one’s employees (Herzberg, 1968). By hygiene factors, Herzberg are referring to: company policies, supervision, relationship with supervisor, physical working conditions, salary, relationship with peers, personal life, relationship with subordinates, status, security (Herzberg, 1987). Hygiene factors describe “how well (or poorly) they [workers] are treated” and hence, not the *content* of the job but the *context* of the job” (Herzberg 1974). Therefore, Herzberg (1968) states that the use of hygiene factors by management, endeavoring to increase motivation amongst its employees, are in fact not practicing motivational attempts which he exemplifies by referring to his dog. When kicking the dog a bit, it will move, if giving the dog a biscuit, it will also move, however, it only does so because Herzberg strives for it to move (1968). Herzberg (1968) argues that it is not until the dog will move without a kick or biscuit that it is truly motivated to move i.e. the *self-charging motivational battery* is working. Motivation ought

therefore to come from within the individual, like a “self-charging battery” and not from “externally stimulated incentives” (Basset-Jones and Lloyd, 2005). For this reason, Herzberg (1968) is referring to the hygiene factors as “*Kick In The Ass-factors*” (KITA) and stresses its non-ability for long-term motivation. Whether salary ought to belong with the motivators or hygiene factors have been commonly discussed (Basset-Jones and Lloyd, 2005) and the correlation satisfaction-salary is well discussed topic. Inglehart (1997) found that there is no connection between satisfaction and an increased income, also stating that the salary matter to satisfaction only when filling one’s basic needs, other than that, it is not a factor creating satisfaction. This comports with the conclusion by Herzberg that the position of salary is amongst the hygiene factors because salary describes the job context rather than the job itself (Herzberg, 1974).

The distinction between the two factors, *motivators* and *hygiene* factors, cannot be seen as opponents and as Herzberg (1968) himself states: “The opposite of job satisfaction is not job dissatisfaction but, rather, no job satisfaction; and, similarly, the opposite of job dissatisfaction is not job satisfaction but no job satisfaction”.

2.2.2 First- and Second-Level Factors - Introduction

In Herzberg *et al.*’s work, “The Motivation to Work” (1993), Herzberg *et al.* stress the importance of *first-* and *second-level factors*. By *first level factors*, they refer to “an objective element of the situation in which the respondent finds a source for his good or bad feelings about the job” (Herzberg *et al.*, 1993: 44). These are all the factors giving a name to a feeling, and are referring to both motivators and hygiene factors. *Second-level factors* are the respondents answer to the different *meaning* of the attributes and its *impact* on him/her (Herzberg *et al.*, 1993).

2.2.3 First-level factors

Research complied by Herzberg *et al.* in 1959 with 228 engineers and accountants as respondents, distinguished that the most common motivator was *achievement*. Achievement was chosen because finalizing a task successfully is a sign of achievement wherefore it is described as most motivating when at work. *Recognition* was found on second position and was partly associated with achievement. The respondents describe recognition from supervisors, colleagues, customers among others to be important as it intensifies the motivation deriving from

achievement. After recognition, the remaining motivators are ranked with *growth* being in the bottom of them five and salary was the only hygiene factor receiving a substantial frequency. Worth clarifying is that when Herzberg *et al.* conducted the original study, growth was named *possibility to grow* whereas we have chosen, in our questionnaire, to simply name it *growth* which Herzberg did in 1968.

Herzberg *et al.* further state that there are variances with regards to the *amount of positive motivation* deriving from the various motivation factors. Achievement and recognition are factors claimed to be so-called “*short-term*” satisfiers, whereas the remaining motivational factors create a “*long-term*” satisfaction. Herzberg *et al.* (1993) stress that factors creating long-term satisfaction are also connected to *greater performance*, so if thereby wanting to improve the work effectiveness, work itself, responsibility, growth and advancement are recommended to be enhanced. However, Herzberg *et al.* emphasize that one should not misjudge the importance of achievement and recognition; both of the factors receive, after all, the highest frequency amongst the motivational factors and are therefore important in motivating employees from a short-term perspective (Hertzberg *et al.*, 1993).

To investigate the frequency of motivational factors further, Herzberg *et al.* (1993) also studied the *interrelationship* of the factors, discovering that *recognition of achievements* was the most common interrelationship creating motivation. Herzberg *et al.* found, despite a substantial part of the interviewees having chosen recognition, achievement to be the most frequent factor here as well, and stated that this particular factor was visible in more answers than recognition and was therefore of greater significance (Hertzberg *et al.*, 1993). Additionally, salary was repetitively mentioned when investigating interrelationships between factors; it was associated with advancement and work itself. Respondents described salary as a form of recognition and proof of a well performed task, where the company shows belief in you as an employee. However, Herzberg *et al.* (1993) once again state that salary rather describes the job context than the job itself and should therefore be seen as a hygiene- or KITA-factor (Herzberg, 1968). Herzberg (1968) further discusses the relevance of KITA in business culture, as companies tend to see part of hygiene- or KITA-factors as motivators. Herzberg (1968) gives an example relating to American business culture where Herzberg argues managers to see positive KITA as motivation,

and negative KITA as non-motivational which Herzberg claims to be wrong. He claims that all KITA is non-motivational and these factors cannot be seen as creating motivation, the factors only create contentment in the short-run (Herzberg, 1974).

2.2.4 Second-Level Factors

Regarding the *second-level factors*, the results of Herzberg *et al.*'s study are somewhat different to those of the first-level factors. Recall that second-level factors refer to the *different meanings* of the attributes and its *impact* on the respondents. Both achievement and recognition are again found at the top of the list and as Herzberg *et al.* stated: "A feeling that you have achieved and a feeling that you have been recognized are the two most frequent feelings that are associated with an increase in job satisfaction" (Herzberg *et al.*, 1993: 67). "*Possibilities to grow*" is found in third place; this being rather surprising as it did not receive a high placement amongst the first-level factors. Furthermore, it was also stated in the study of Herzberg *et al.* that possibilities for growth create long-term satisfaction and should therefore be enhanced if wanting to increase job satisfaction (Herzberg *et al.*, 1993).

Herzberg *et al.* also stresses the importance of *small acts* creating a feeling of self-actualization or growth, to give feedback or a "pat on the back" being two examples (Herzberg *et al.*, 1993: 68). It is claimed that the "acts of verbal recognition and specific achievements can act as a kind of partial reinforcer of the basic goals" and therefore be seen as a "sub reward" leading the way to a larger goal, advancement etcetera (Herzberg *et al.*, 1993: 69).

2.3 Geert Hofstede: Cultural Dimension Theory

Culture "...is that part of our conditioning that we share with other members of our nation, region, or group but not with members of other nations, regions, or groups" (Hofstede, 1983).

How to handle different national cultures within organizations has during time of internationalization emerged as a key question, and there has been an unavoidable interchange in different national management approaches during recent decades. We are all different and will continue to be and this actuality has been more and more emphasized just during the recent years.

National difference are deeply rooted in institutions and people, and even though the world is on a more advanced level of cooperation and integration today than 40 years ago, national culture changes slowly and needs to be taken into consideration when associating world-wide (Hofstede, 2001).

Referring to the importance of respecting cultural differences in our international environment, Geert Hofstede (1983) and his first theory of four cultural dimensions, describing national culture by comparing countries and values of people, was firstly published in 1980. A study of 50 countries was conducted by Hofstede, researching levels of these dimensions in each country (Hofstede, 1983). A fifth important dimension was included in his work and later on, in 2010, a sixth dimension was added (Hofstede, 2011). The six different dimensions are *Individualism versus Collectivism*, *Power Distance*, *Uncertainty Avoidance*, *Masculinity versus Femininity*, *Long-term versus Short-term Orientation* (Hofstede 2001; Hofstede and Minkov, 2010) and finally, *Indulgence versus Restraint* (Hofstede, 2011). An explanation of each dimension and contradicting factors are given below. Furthermore, the dimension rankings of China and Scandinavia are presented.

2.3.1 Hofstede's Cultural Dimensions Applied on China and Scandinavia

In Geert Hofstede's original study from 1980, only including the first four dimensions, China was not one of the countries being investigated (Hofstede, 1983). Research into Chinese culture in general and areas similar to mainland China, like Hong Kong, has made a comparison possible. Furthermore, subsequent observations mentioned in Hofstede's book from 2001, and another source (Hofstede, 2009a, b, c) give a clearer and updated picture concerning China's position on the cultural dimension-ladder (see Appendix 1, fig.3). Due to the existing similarities (Schramm-Nielsen *et al*, 2004), Scandinavian values are united, trying to reflect an overall picture of the area (see Appendix 1, fig.4).

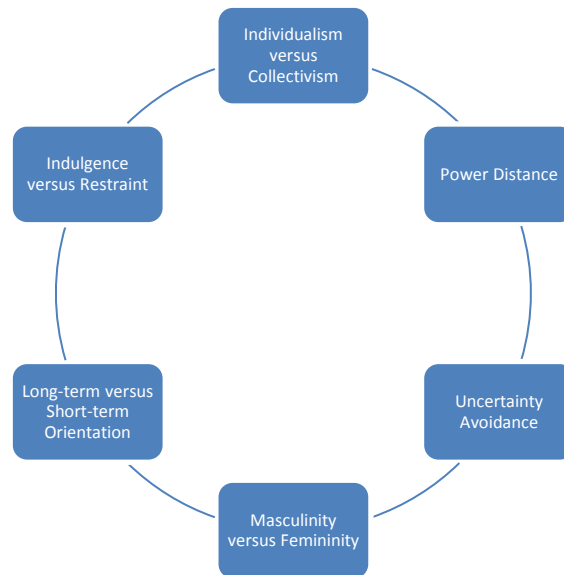


Figure 2. Hofstede's Cultural Dimensions

2.3.2 Individualism versus Collectivism

The dimension fundamentally refers to the issue of the *connection between one human and another*, focusing on ties, or the lack of ties, between people. Some people put greater effort in freedom and caring only for their closest family, while the opposite of individualism is focusing more on the wealth of a certain in-group than on individual interests. The group does not only include the closest family but is extended to concern a wider part of the population, for instance a tribe, an organization or a village. What matters to a collectivist is the interest and thoughts of the group. The collectivistic society is closely integrated while people in an individualistic environment only are freely integrated (Hofstede, 2001). According to Hofstede (1983), the level reached on the scale of individualism depends on the concerned countries wealth. In organizations, it depends on factors such as educational level and size, history and culture of the concerned organization (Hofstede, 2001). Since several countries occupying top-positions are Western, introducing Western developed technologies in countries influenced by collectivism creates a forced transit of societal norms. But in more traditional environments, there is a limit of how much that is transferable (Hofstede, 2001). In individualistic work environments, employees “are expected to work rationally according to their own interest, while in a collectivistic culture, “an employer never hires just an individual, but a person who belongs to an in-group” (Hofstede, 2001: 235).

According to Hofstede, *China*, and other countries with Chinese values, are *strongly influenced by collectivism* (Hofstede, 2001). With a history of Communist ruling still affecting the society, socialistic values still influence China even though there have been major changes during recent decades (Sweden Abroad, 2011). Today, trying to keep the political structure, but accepting and working for modernized technologies and changes can illustrate a China heading towards a more individualistic society (Hofstede, 2001). Caring for the family or the in-group is of significant importance and to create good relationships, ‘guanxi’, even outside the closest family is seen as essential, creating close group integration. Countries with Chinese values thereby score low on the individualism scale, being collectivistic societies with group thinking (Hofstede, 2001).

Sweden and Denmark occupies top-ten positions in the Individualism index (Hofstede, 2001). This indicates that the area is highly characterized by the importance of having a private life, an “I” consciousness, and people in different situations always being responsible for themselves. Individuals in Scandinavia learn how to be independent and to think of themselves as “I” and not mainly as a part of a group (Hofstede, 2001).

2.3.3 Power Distance

The second dimension concerns how people *handle inequality* within a society, on both a physical and intellectual level. To reach complete equality might be inaccessible but societies handle this existing factor in different ways, either trying to work for equality or letting inequality grow without any greater concern. Connecting organization structure to this second dimension, it is the hierarchical level within a company that is researched. Due to different levels of satisfaction, society and organizations permit inequality and hierarchical framing (Hofstede, 1983).

Power Distance is measured from 0, which is small Power Distance, to 100, large Power Distance. In this case, *countries with Chinese values occupy top positions* characterized by large Power Distance (Hofstede, 2001; Hofstede 2009a). This result gives a hint of inequality in terms of power and wealth within China as well. With a history of strong political control, the cultural heritage and the history of China probably influence and enhance the Power Distance. The Confucian values of society, being based on unequal status relationships among people and

seeing a person as a part of the family, not as an individual, might strengthen the arguments of China as a strong hierarchical society (Hofstede, 2001). Furthermore, a high degree of autocratic leadership and centralization of authority is related to organizations in a collectivistic society. “Societies in which power tends to be distributed unequally can remain so because this situation satisfies the psychological need for dependence of the people without power” (Hofstede, 1983). Hofstede further argues that larger Power Distance is a common feature of all poor countries (Hofstede, 1983), creating an interesting contrast with China’s economic development during recent years (Sweden Abroad, 2011).

4000 years ago, *Scandinavia* was already functioning as a primitive but vigorous democracy (Hofstede, 2001). Today, *egalitarianism and playing down authority are important* in Scandinavia. For management, casualness, equality and restraint, are keywords and hierarchy is generally flat with an unwillingness to indicate power. Mutual participation and cooperation are essential and first and last in many decision making processes and work of change. Furthermore, synchronizing across hierarchies and collaboration between different departments tends to be promoted (Schramm-Nielsen *et al*, 2003; Hofstede, 2001). Scandinavian countries thereby score low in Power Distance index, occupying position 48, Sweden, and 51, Denmark (Hofstede, 2001).

2.3.4 Uncertainty Avoidance

“A basic fact of life is that time goes only one way. We are caught in a present that is just an infinitesimal borderline between past and future” (Hofstede, 2001: 145). The third dimension focuses on the *uncertainty of an unknown future*. People have different approaches towards the unknown, taking risks or trying to direct the future due to anxiety in not knowing what is going to happen. People with weak uncertainty avoidance feel safe even though they do not know what the future has in store for them. Referring to strong uncertainty avoidance, societies try to create security for the future through three approaches; technology, law and religion (Hofstede, 1983).

In China, the level of uncertainty avoidance is seen as relatively weak/on an average level. The population thereby accepts the uncertainty that the future might bring and, most likely, do not fear taking risks. However, some signs of caring for the future can be traced where security can be created through technology, law and religion. The third factor includes ideologies such as

Communism, closely linked to China (Hofstede, 2001). Though, Hofstede (1991) argues that uncertainty avoidance can sometimes be irrelevant and linked to a certain degree of “truth”. The question of truth in some situations is not as important in the Eastern parts of the world as in the West. Furthermore, China has historically been ruled by man and not by law according to Hofstede (1991). This contributes to the idea of China having low uncertainty avoidance, controlled by man and not by acts.

Considering anxiety about the future, *the Scandinavian population generally tends not to worry about uncertainties*. Placed far down on the uncertainty avoidance index, Scandinavian countries are characterized by people taking each day as it comes, an openness to change and innovation and a lower stress level in general (Hofstede, 2001).

2.3.5 Masculinity versus Femininity

This dimension raises questions of *female and male values* and roles in society. A male influenced society tends to be colored by self-confidence and dominance, while a female approach is more caring and self-sacrificing. Societies can thereby be divided into either masculine or feminine environments, determined by its values. The feminine approach, being caring and family centered, and the male draws of performing and dominance, can thereby be applied on both men and woman in societies. Different draws are more or less valued world-wide and that forms societies towards either masculinity or femininity. To have a low score on the masculinity-femininity scale means that the country is more drawn towards a feminine environment while a high score reflects stronger masculine values in the country (Hofstede, 1983, Hofstede, 2001).

China is dominated by hierarchical masculine values emphasizing role division, implementation of visible actions, and financial gains (Hofstede, 2009b). Other Asian countries, like Japan, occupy top positions in the lineup of masculine countries (Hofstede, 2001).

The Scandinavian country Sweden scores the lowest in masculinity among the 50 countries researched, closely followed by Denmark (Hofstede, 2001). Features of femininity in working life with focus on friendly atmosphere, position security, physical conditions and cooperation, are important in an environment like Scandinavia. This compared to important male factors of

advancement and earnings (Hofstede, 2001). In daily life, relationships are emphasized, and quality of life and people are important (Hofstede, 2001).

2.3.6 Long-Term versus Short-Term Orientation

In collaboration with Michael Harris Bond, who conducted an additional survey on Chinese scholars and their basic needs (Chinese Values Survey), a fifth dimension of *long-term versus short-term orientation* was developed by Hofstede in 1991. 23 countries and their basic values were researched, with focus on Chinese ideals and related to Confucius and his teachings.

The dimension referred to different values in life, either long-term oriented with leading ideals of; *persistence (perseverance), thrift, ordering relationships by status and observing this order, and having a sense of shame*. In contrast, the opposite short-term orientation reflected values of; *reciprocation of greetings, favours, and gifts, respect for tradition, protecting one's face, and personal steadiness and stability*. The four values connected to long-term orientation correspond with Confucius teachings, even though many countries have no knowledge about the philosopher, while the opposite four are not specifically Confucian.

These values represent orientation towards life; the long-term values are more dynamic and contour towards the future, while the short-term values are oriented towards the past and the present. A more recent analysis, covering 93 countries, has been conducted by Minkov in 2007, called *Long-Term Orientation World Value Survey (LTO-WVS)*. Minkov used a different questionnaire, although inspired by the old one, and both time period and respondents were different. Hence, this changed the country index due to a more world-wide focus in the study. The previous values of the LTO-CVS could be connected to the new aim, partly based on national pride which can be related to the above mentioned Chinese values (Hofstede and Minkov, 2010). Today, a definition of this dimension is that “long- term oriented societies foster pragmatic virtues oriented towards future rewards, in particular saving, persistence, and adapting to changing circumstances. Short-term oriented societies foster virtues related to the past and present, such as national pride, respect for tradition, preservation of "face", and fulfilling social obligations” (Hofstede, 2011).

Based on the previous LTO-CVS, China occupied the top position. When this first study was compiled, China was growing and emerging as an economic giant. This dimension seems to correlate with future economic growth. With a traceable future economic success in sight, the long-term orientation watchwords of persistence, thrift and overcoming obstacles placed China and other growing East-Asian countries on top of the LTO-scale. The Confucian values of strong family hierarchy, thrift, respect, tenacity and a moderated self-assertion are seen as a part of Chinese culture and living (Hofstede and Minkov, 2010). *Based on the LTO-WVS, China is still found in a superposition* among countries with long-term orientation. By that means, China tries to aim towards future success, by saving and being persistent and trying to adapt to possible quick changes. On the long-term side, what works is more important than what is right (Hofstede and Minkov, 2010).

Countries of Scandinavia are found close to each other when comparing the other four dimensions. Considering long-term versus short-term orientation, Sweden is the only country researched, placed in 37th position among 93 countries. *Sweden is somewhere in between, with a possible tilt towards long-term values* (Hofstede and Minkov, 2010).

2.3.7 Indulgence versus Restraint

Connected to the World Value Survey by Minkov in 1991 is a *sixth dimension* that has been developed by Hofstede. *Indulgence versus Restraint* refers to how people approach life, by either enjoying life and ease inhibitions, or being moderate and suppressing gratifications of needs (Hofstede, 2011).

Considering indulgence versus restraint, enjoyment or moderation, development of the dimension seems to be in progress due to the lack of information found. *Considering Asia, and thereby China, restraint regarding certain human needs seems to dominate*. The highest scores of indulgence are found in Latin America, the Anglo world, parts of Africa and, most interesting, also in Nordic Europe. *The Scandinavian population in general rejoices in life* and allows gratifications (Hofstede, 2011).

2.4 Additional Studies

Having presented our two main theories, we stress the need for some complementary research. Maslow's 'Needs Theory' states that there are different levels of needs, a hierarchy, where the basic needs require fulfillment in order to move to a higher level, indicating an increased personal growth. The different levels are *physiological needs*, *safety needs*, *social needs*, *esteem needs*, and *self-actualization* (Maslow, 1958). Herzberg connects his two-factor theory to the findings by Maslow as Herzberg *et al.* (1993) state that the true creators of long-term motivation are the motivators and the basic need in the "Need Hierarchy" (Maslow, 1958) are therefore connected to the hygiene factors. The hygiene factors need to be present not to create dissatisfaction but are however not motivational factors (Herzberg, 1968) connected to self-actualization.

Concerning the concept of culture diversities we stress the need for a complement to Hofstede's cultural dimensions wherefore research conducted by Trompenaars (1996) is included in our theoretical framework. Trompenaars so-called "Relationship Dimensions" are: *Universalism versus Particularism*, *Individualism versus Collectivism*, *Neutral versus Affective*, *Specific versus Diffused*, *Achieved versus Ascribed*, *Time orientation*, and lastly *Internal versus External orientation* (Trompenaars, 1996). A short description of the seven dimensions will be given with an application to China. Beginning with *Universalism versus Particularism*, it describes whether the individuals in a culture relies on rules, so-called Universalists, or if the individuals relies on relationships, describing a particularistic society. According to Noronha (2009), China is characterized as a Particular society due to the importance of relationship network such as 'quanxi'. Trompenaars (1996) indicated that the level of Universalism is low in China wherefore we find Noronha's (2009) conclusions regarding China to be of relevance. The second dimension, *Individualism versus Collectivism*, is discussing whether individuals prefer to classify themselves as individuals or more as members of a group (Trompenaars, 1996). *Neutral versus Affective* reflects upon the degree of emotions expressed to fellow human beings and the Asian countries are known for its non-habit of showing emotions to people around them (Trompenaars, 1996; Noronha, 2009). *Specific versus Diffused* specifies that certain cultures, as the Chinese for example, can be described as diffuse since the relationships found in the society are both related to personal as well as to business life, and the line between the two is not clearly defined (Trompenaars, 1996; Noronha, 2009). Many western societies are specific as the line between

personal and working life is more clear (Trompenaars, 1996). *Achieved versus Ascribed* refers to how distribution of power is accepted in a society. Achievement focused societies emphasize on performance and status whereas ascribed societies are described as societies in which power is given to someone based on age, class, education etcetera (Trompenaars, 1996). China could be described as the latter, ascribed society (Noronha, 2009). *Time orientation* describes how time is perceived within a society, whether focus is on the present, past, or future. Western societies are relatively short-time orientated shown in business life where focus is put on annual outcome of the enterprises whereas the Asian countries tend to focus more on the future aspect (Trompenaars, 1996). The last dimension, *Internal versus External orientation*, defines to what extent a culture views nature and its existence (Trompenaars, 1996). As an example, western cultures are more internalistic in its actions, shown in their non-belief of fate and luck, and its belief that it can control nature. In this sense, the Chinese culture is seen as more externalistic (Noronha, 2009).

Studies regarding compensation systems in China could, mainly due to the history of communism, be of interest and coupled together with other theories and possible findings. Cherrie Jiuhua Zhu and Peter J. Dowling (2000) evaluate the work situation in China, how compensation is related to performance and where a system of individual performance linked to compensation level becomes more and more common. Zhu and Dowling (2000) further argue that effectiveness within organizations in China is positively correlated to compensation packages, emphasizing the importance of such incentives. It is also discussed by Zhu and Dowling (2000) that easing the “iron-rice bowl”, the Chinese system of life-time employment, equality and thereby non-existing competition, after Mao’s regime in the 1970’s has led to a more merit-oriented society with more focus on performance appraisal. Human resource management is a fairly new attribute in China and did not exist before the reformation; people had life-time employments and the Chinese were not able to choose where to work, let alone influence their salaries. From the reformation in the 1970’s, the employment system and its practices, driven by a socialist market economy, have undergone remarkable change. Moving away from a policy of full employment, breaking the iron rice-bowl system, decentralizing employment practices and the emergence of a free labor market are changes still ongoing today (Zhu and Dowling, 2000). Moreover, Henley and Nyaw (1987) studied China’s historical wage setting system with its lack of connection to personal performance and a consistency regarding wage growth and such.

Quoting left-wingers in China during Mao's communist regime, "the bigger the differences in the payment for labor, the more capitalism there is" (Henley & Nyaw, 1987: 13); it was a time of equal wages and a non-existing materialistic incentive system. In addition, Zhao (1995) continues a discussion concerning bonuses decided by one's individual performance and the Chinese positivity regarding such incentive system. Lastly, Herzberg (1987) discusses compensation systems stating that it is only a short-term satisfier and cannot be practiced with an aim to enhance performance. He (1987) stresses the need for internal motivation, not external; criticizing management for the use of monetary compensation with an hope for enhanced motivation.

2.5 What We Can Expect

This section consists of a summary of our thoughts concerning the possible outcome and empirical findings, with the main theoretical framework of Herzberg and Hofstede as a base for our assumptions.

We argue our empirical findings to be rather similar to the findings of Herzberg *et al.* (1993) but having the results of Hofstede's and Trompenaars' research regarding China in mind, we believe there are some factors that will be different to what Herzberg *et al.* found. Herzberg *et al.* (1993) found achievement and recognition to be the most satisfying factors, followed by the remaining motivational factors. This supports the arguments by Herzberg *et al.* (1993) saying that only motivators can create long-term satisfaction. However, given the hierarchical society China is defined to be (Hofstede, 2001), we stress a possible increased importance of status, security and salary; emphasizing the importance of hygiene factors amongst Chinese employees. We stress this believe because of the collectivist and communistic history where no focus was given motivational factors (Zhu and Dowling, 2000); we thereby argue the Chinese unfamiliarity with the soft, motivational factors. Due to these assumptions, we believe that status, security and salary will be of high relevance, and therefore attain a higher position than in the findings of Herzberg *et al.* (1993). This is further believed since Hofstede (2001) clarifies China as masculine society and because of the importance of rank existing due to the country's history.

If referring to Herzberg's second level factors, we believe that personal life will influence the Chinese employees to a large extent which will also be reflected in what is perceived as motivation at work. This is believed partly because of China being characterized as a diffuse culture where the importance of *quanxi* is of significance (Noronha, 2009), but also because of the collectivistic history and the importance of the closest group including family (Hofstede, 2001). To evaluate this further, we have chosen to add a question in our questionnaire regarding motivation in the interviewees' personal life. The reason for adding this question is because we stress the importance of family, and the support of it, to be a driving factor behind why the Chinese employees for example might emphasize on salary. Excluding this factor we argue is not possible if wanting to understand a larger picture of China and operating in such a society.

We further believe that the Chinese employees, if referring to findings of Hofstede (2001), will find the open Scandinavian way of working as rather challenging and possibly non-motivational at some levels because of certain disparities regarding work values and culture in general. Since China is synonymous with hierarchy and collectivism, different from Scandinavia, people accept a structure of unequal power distribution since "this situation satisfies the psychological need for dependence from people without power" (Hofstede, 1983). We believe that Scandinavia, with its individualism, opposes such values due to the culture valuing personal responsibility taking and distinct equality (Hofstede, 2001). To continue, communication between superiors and subordinates could possibly be greater emphasized in a Scandinavian environment since openness among the two is considered as a common feature of this culture (Hofstede, 2001). Regarding the findings of masculinity versus femininity, we argue the openness related to the feminine Scandinavia might be difficult to handle for the Chinese employees brought up in a culture characterized as strongly masculine. We especially believe this to be visible when co-operating in a group, a common feature in Scandinavia but not in China.

3. Methodology

3.1 Choice of Method

This part of the thesis describes in more detail our choice of research strategy. We describe how information is collected, how interviews are conducted and how literature is selected. Lastly, reliability and validity are stressed to guarantee the quality of the thesis.

When deciding what kind of research method one should use for evaluating a problem, one should be aware of the fact that each method has its own way of “collecting and analyzing empirical evidence, following its own logic”. Examples of methods that can be used to evaluate a problem are *experiments, surveys, archival analyses, history and lastly case studies*. When deciding which one is preferable to one’s investigation, three aspects should be stressed; “the type of research question posed, the extent of control an investigator has over actual behavioral events and the degree of focus on contemporary as opposed to historical events” (Yin, 2009: 6-8). Since this thesis focuses on the explanatory questions of *how* and *why*, also aiming at explaining a contemporary event, the research method *case study* has been chosen. When answering the questions how and why, we could also have chosen, according to Yin (2009), to use experiment or history as method. However, since the aim of this thesis is to investigate a contemporary event, and as the direct observation of behavior is not a necessary attribute, we find case study to be the best suitable alternative for our investigation. Although a behavioral study could increase the liability of the thesis, we do not have the economical means, time or sufficient knowledge to do so in a scientific way.

The advantages of choosing the method *case study* is the “ability to deal with a full variety of evidence” such as documents, artifacts, interviews and, observations and doing so in a realistic way (Yin, 2009: 11). Out of those four, initially mainly documents and second hand data will be used in this dissertation; henceforth a comparison of the answers given in the conducted interviews will be made. Documents referred to are scientific articles and books written by well-renowned scholars within the fields of motivation and culture. All methods have their shortcomings and the general critics posed against case studies are fourfold; lack of rigor, lack of

proper basis for scientific generalization, too time consuming and lastly, the real effect of the so called realistic and “causal” experiments or investigations. A general fear is that most people can conduct a case study but interpreting it is harder (Yin, 2009). To handle these critics, we bear the limitations of conducting a case study in mind and clarify our assumptions accordingly.

Furthermore, a case study can consist of one case or more, so called *single- or multiple* case studies. Having a single case study is appropriate under several circumstances, if the case is representative or revelatory for example. Using a multiple case format on the other hand tends to give the study more credibility since the evidence is seen as more reliable (Yin, 2009). In our dissertation, a multiple case study is preferable since higher credibility is of importance, enabling a veracious analysis. Likewise, multiple case studies are preferable since our primary data consists of interviews and therefore a larger sample is desirable.

3.2 Data collection

Yin (2009) mentions “*three principles of data collection*”, that increase the validity and reliability of a report. These three are: *to use multiple sources of evidence*, *to create a case study database*, and lastly, *to maintain a chain of evidence*. The first one refers to the importance of using *multiple sources*, combining the positive aspects of, for example, documentation and interviews, giving the report a deeper reliability since various sources are used to collect data. Throughout the thesis we have combined and compared various secondary data with our primary data, examples of this shown in our result chapter as well as in our analysis. We have also compared various secondary data to guarantee the quality of information used; this is further stressed and discussed in the literature critic. A more detailed view of how primary and secondary data has been collected will be given in the two chapters bellow. Secondly, Yin (2009) stresses the importance of having a *case study database*, in which all data is collected for future research. However, considering the size and depth of this dissertation, retrieved data will not be kept in a database, although the questionnaire constructed for the interviews, is found in Appendix 2. The last factor is to maintain a *chain of evidence* to be able to link the argumentation held throughout the thesis. Yin (2009) compares this with evidence presented in court; one must constantly provide proof of one’s standpoint. To handle this aspect, our purpose questions have

been the base for each chapter presented and we have also tried to help the reader by having an introduction in to each chapter, preparing the reader for the upcoming chapter.

There are several methods in which one can collect data, for this thesis documents and interviews are our main sources of information. The first one being of great use when collecting second-hand data while the latter is of use for collecting primary data.

3.2.1 Secondary data

We have used the secondary data to increase our knowledge within the field, enabling us to implement our theoretical framework in a scientific way. When retrieving secondary data, documentation has several positive aspects, as it being stable, exact and covering up to date information. One drawback is the access, it is not certain that all readers have access to the same information (Yin, 2009). To overcome this drawback we have only used published material, easy to access but yet of great reliability. We have taken advantage of the library throughout the thesis, beginning with a lesson in search techniques held in March. We have used databases such as Business Source Premier (EBSCO) and Emerald Management Xtra Plus searching for words such as *motivation*, *China*, *culture*, *Herzberg*, *Hofstede* amongst others. As we are aware of the limitations in access to these two databases we have only used published articles, peer reviewed, which are easy to access for others. To exemplify, original articles by Herzberg published in Harvard Business Review and the like have been used. Furthermore, also when broaden our perspective from the two main theories, Herzberg and Hofstede, additional articles found at the two mentioned databases have been of great significance as it has enabled us to critically evaluate the main theories as well as grasping a possible outcome of this dissertation.

3.2.2 Primary data

To increase the realistic approach of our thesis, our secondary data was compared with our primary data, where the primary data was collected by conducting interviews. For this thesis we have chosen to interview fourteen people, all positioned in Shanghai, China, but of different nationality. The interviewees are employees working for BESTSELLER or Lindex at its respective Shanghai offices. Due to economic reasons we were not able to visit the co-operating companies' offices in Shanghai, wherefore interviews were all conducted by Skype/telephone. In total fourteen interviews was held, each interview with duration of thirty to sixty minutes. The

duration mainly depended on the interviewees' ability to contribute with informative answers as well as its level of English, the latter factor was important when determining whether to deepen the interview or not as we did not want to enlarge possibilities for misunderstandings related to language. Conducting interviews by Skype/telephone have some positive aspects and as we believe the Chinese' fear of "face loss" to possibly be less of an issue if not addressing the employees in person, therewith increasing the quality of the report. However, there are as well drawbacks of conducting interviews in the chosen way. The drawbacks are mainly related to our non-ability to see the working environments ourselves, as well as not being able speak to everyone face-to-face, to see the reactions met when answering the questions. Furthermore, the interviews have been held in a *semi-structured* way (Yin, 2009) with a questionnaire sent out in advance, allowing the interviewee to prepare. Throughout the interviews, questions posed in the questionnaire are discussed as well as the interviewee continually being asked to exemplify and explain the reasoning behind its choices; creating a qualitative investigation instead of a pure quantitative. This type of interview is referred to by Yin (2009) as a *focused interview* as it is limited to duration of about an hour and our main purpose being to confirm or reject facts found in theory. Also, one of the reasons for sending out the questionnaire in advance was to prepare the interviewees and give each person some time to think through his/hers answers. Questions three to eight, see Appendix 2, are more self-reflecting and thereby more demanding to answer, thus preparation in advance was preferable. The questions for the manager are found in Appendix 3. Another reason for sending out the questionnaire before the interview was to make *language* less of a barrier. English is neither our, nor the interviewees', native language, something taken into consideration when evaluating the answers. When evaluating our primary data, we also need to consider the cultural differences and, therewith, have in mind that motivational factors are perceived and valued differently (Hofstede, 1983, 1991, 2001).

As the questionnaire took form, we aimed at having questions were the interviewee could simply "tick-in-a-box", however, also having questions allowing the interviewee to express freer. Our work led to a questionnaire consisting of what Yin (2009) refers to as *open* and *closed* questions; this to have a mix between quantitative and qualitative answers. Yin (2009) further mentions the awareness of different levels when posing questions as these levels could be used to obtain a deeper understanding of the choices of the people within the chosen organization. As an example,

level-one questions mean, questions solely related to a specific interview whereas the second level refers to questions being posed throughout the case; the second level therefore refers to our thesis problematization. For this reason, we have some questions in the questionnaires solely related to the theories of Herzberg, question one and two for example, and some that are more cultural, such as question seven, allowing us to use the thoughts of Hofstede. To clarify, our thought behind the questionnaire is for it to reflect our two main theories, Herzberg and Hofstede, so that the outcome of the interviews would be of use when conducting an analysis. However, all questions are well thought through in advance, and reflections regarding possible answers believed to receive, are made. When creating the questionnaire, we believed the private life of the employees to be of importance wherefore an interpretation of Herzberg's factors (1968) with regards to personal life was made. As an example, work conditions were remodeled to living conditions, see Appendix 2 for more details. As stated, some questions are solely related to Herzberg, but when evaluating the answers after the interviews, the theories of Hofstede are applicable to a large extent here as well. Additional questions asked during the interviews are also based on the two theories enable us to deepen our argumentation and therefore evaluate the research questions in a more accurate way. Lastly, considering the size of our investigation, a quantitative investigation would need to have had a sufficient number of participants and therefore we argue that by having a more qualitative approach to the interviews, we can gain more reliable and trustworthy information.

To describe our sample further, we separate between the Chinese employees and then treat both Danish and Swedish employees under the same category, Scandinavians. According to Hofstede (1983, 2001), the two Scandinavian nations have similar mind-sets and are thereby comparable. Nine Chinese co-workers were chosen to understand the motivational factors, and to get an insight into work and cultural values among Chinese office workers in Scandinavian companies. The interviewees were contacted by e-mail and an appropriate time for the interview was decided. We have further chosen to interview four Scandinavians to strengthen certain important Scandinavian features related to corporate culture and motivation. Also contact with these employees was held through e-mail. The interviewees are all office workers but have different positions and ranks in the chosen organizations, to reflect the reality of the working environment. Our target group is between 23-36 years old, also reflecting the rather young generation working

in the apparel industry. Common for both enterprises is that the interviewees, despite position, work under the same respective manager. One Scandinavian manager was chosen as an interviewee for the purpose of gaining another perspective around motivational incentives pursued by the organization. We would have preferred having an interview with a manager from both companies, but due to a last minute cancellation, this was not possible. As only the manager at BESTSELLER had time for an interview, we instead decided to use an already conducted and published interview with the manager at Lindex. To continue, the respondents in this investigation are anonymous, only their nationality, gender, position and company of employment are shown in the report (see Appendix 4). The anonymity is clearly marked on the questionnaire as well as stated again when conducting the interview. We believe this to be important, especially for the Chinese, where respect for the organization is part of their cultural heritage and knowing that one is anonymous can increase the depth and honesty of the answers (Noronha, 2009).

3.3 Research Quality and Reliability

To guarantee the quality of the material is important to compose a thesis of good quality (Yin, 2009), and to do so, the validity and reliability will here be further evaluated. The chapter ends with published criticism regarding our main theories.

3.3.1 Research Quality

According to Yin (2009) there are three so-called tests that one can use to guarantee the validity of the study. These three are; to *construct validity*, *internal validity* and *external validity*. To begin with, *to construct validity* means “identifying correct operational measures for the concepts being studied” (Yin, 2009: 40-41). To achieve this we used multiple sources of evidence, both documentation and interviews, aimed at creating a chain of evidence. Furthermore, to construct validity, it is important to be aware of the study’s weaknesses and that these, if not taken into consideration, can affect the result (Yin, 2009). These weaknesses, having a possible effect on the inference of this report, have been clarified under the heading “Limitations” and are also addressed under the headings primary and secondary data in the methodology chapter. To continue, *internal validity* is important when conducting an explanatory case study and refers to the explaining of patterns, the approach of rival explanations and the use of models (Yin, 2009:

40-43). Our theoretical framework will continuously be used as base and we aim to have a strong analytical approach, avoiding biases. The interviews held are also referred to but due to the rather small sample, they cannot always be used as a base for assumptions. When justifying our argumentation, the size of the sample and the findings in our theoretical framework are always considered to create an understanding of a possible indication in a certain direction. Lastly, *external validity* refers to realizing to what extent one's findings can be generalized (Yin, 2009). We argue that our work, due to the mere size of this investigation, is not possible to generalize to a large extent. However, we can see some indications and we argue to have found some patterns that can be of significance to management as well as to Scandinavians working in China, striving to understand their Chinese colleagues better.

3.3.2 Reliability

Reliability means that “if a later investigator followed the same procedures all over again, the later investigator should arrive at the same findings and conclusion” (Yin, 2009: 45). The aim of having a good reliability is therefore to make the statement above possible. To ensure this, we have used a diverse group of sources, critically analyzed, and thereby guaranteeing a reliable result. The questionnaire is found in Appendix 2, making it possible to conduct the same study in the future. Furthermore, there were always two individuals present when conducting the interviews, minimizing the risk for misunderstandings due to language barriers etc. Not being able to visit BESTSELLER or Lindex in Shanghai and therefore not conducting the interviews face-to-face might make the results less reliable but we anticipate the impact to be rather limited. As we are studying the thoughts of individuals, not the environment, we argue the result to be trustworthy without a personal visit.

3.3.3 Criticism of Literature

Herzberg *et al.*'s Two Factor Theory and latter research conducted by Herzberg himself (1968, 1974 and 1987), has been criticized by some. Firstly, the methodology has been object of criticism as it has been argued that the method used was heavily focused on one research methodology, therewith possibly increasing the level of misinterpretations (Ewen, Smith, Hulin, and Locke, 1966; Vroom, 1964). Secondly, it is further seen that factors defined as non-motivating by Herzberg, such as salary, can create motivation whereas factors classified by Herzberg as motivators, recognition and responsibility, are not creators of motivation (Maidani,

1991). However, Herzberg's theory is argued to be a general guideline for understanding satisfaction and motivation amongst employees world-wide (Maidani, 1991); wherefore the theory is of relevance to our dissertation.

Hofstede's theory concerning cultural differences is widely accepted and cited in academic literature (Reisinger and Crotts, 2010). However, some critic has arisen among scholars regarding the validity of his studies (Jackson and Bak, 1998; Lindell and Arvonen, 1997). Important with regards to our dissertation is Jackson and Bak (1998) discussing the lack of data concerning Chinese cultural values in Hofstede's original study (1983), only referring to information from Taiwan and Hong Kong. Though, in his latter studies (2001), values of mainland China are evaluated but not in full scale. To generalize could be hazardous, Jackson and Bak state (1998). In addition, the company IBM was the only object of investigation in Hofstede's original research which could lead to possible misinterpretations. Therefore, it could possibly reflect the company's corporate culture rather than a general view of nation values (Lindell and Arvonen, 1997).

For this dissertation, we argue the need for additional views of culture and motivation wherefore a chapter of other studies works as supplement to our main theories. Theories of Maslow (1958) and Trompenaars (1996) are briefly discussed to attain a comprehensive picture.

3.4 Choice of Companies

When deciding which companies to evaluate in our study, we used three criteria; the companies needed to be in the same industry, actively pursuing business in Shanghai and, with similar Scandinavian backgrounds. After close consideration and agreements with respective organizations, we chose BESTSELLER and Lindex, two companies both founded in Scandinavia with purchasing facilities in China. BESTSELLER has a somewhat larger turnover but we still find the companies comparable since its offices are around the same size, with similar proportions of foreigners. The need for quite similar enterprises is because we want the employees to experience a relatively similar Scandinavian approach and because we stress the importance of similar background amongst the interviewees. As all employees work at an office level they are well

educated and therefore more aware of the so called corporate culture, enable us to deepen our questionnaire. Even though Lindex is owned by the Finish Stockmann Group the company is founded in Sweden and we thereby believe this heritage is reflected in the company culture, something that will be stressed when describing Lindex in the upcoming chapter “Company Descriptions”.

4. Company Descriptions

4.1 BESTSELLER

BESTSELLER A/S was founded in Denmark in 1975 as a family-owned company by Merete Bech Povlsen and Troels Holch Povlsen. Globally, the company has 9,600 employees, around 3000 of them working in Denmark. BESTSELLER is by many known through its various brands such as Jack & Jones, Vero Moda, Vila Clothes, Pieces etc. The turnover for the company in 2009/2010 was € 1,961 million (BESTSELLER, 2010a). BESTSELLER is a global company with operations in 46 markets covering Europe, the Middle East, Asia and Canada. Its operations are spread over 2520 chain stores and 12 000 external multi brand stores. The company is rapidly growing and in 2009/2010, BESTSELLER opened 474 new stores worldwide. BESTSELLER does not own productions sites but co-operates with suppliers in Bangladesh, Turkey, India and China to mention only a few (BESTSELLER, 2010a). Focus for this thesis will be BESTSELLER’s buying office in Shanghai, where around sixty people work of which four originate from Scandinavia. This office is part of the BESTSELLER A/S group, directly owned by the Danish group and many of its employees have had trainee placements at the Danish head office, guaranteeing that the “BESTSELLER way” when doing business in China (P1, 2011). There is also an independent affiliate to BESTSELLER A/S, *BESTSELLER Fashion Group China*, partially owned by the founders of BESTSELLER, the Holch Povlsen family, and the remaining part by two Danish business partners situated in China. Like BESTSELLER, BESTSELLER Fashion Group China, does not own production sites but designs collections for the around 3700 stores found in China (BESTSELLER,

2010a). However, it is the buying office in Shanghai that will be subject to investigation throughout this report.

Common for all of BESTSELLERs operations worldwide are that they are inspired by the three visions of the company: *one world, one philosophy and one family*. *One world* means that the company regards cultural differences as an advantage and the company aims to “promote quality, extraordinary results and good values” (BESTSELLER, 2010b). The second vision is *one philosophy* reflecting the *Ten Principles* aiming at “inspiring the everyday work at BESTSELLER”. These principles are for example, to be honest, hard-working, loyal, co-operative etc. (BESTSELLER, 2010c). Lastly, the vision of *one family* is important within BESTSELLER. This vision creates a certain “family feeling” when at work, specifying that “we should help each other and have unlimited faith in our relatives” (BESTSELLER, 2010b).

4.2 Lindex

The Swedish-founded fashion chain Lindex was acquired in 1954 by Ingemar Boman and Bengt Rosell. The company has, “with inspiring design, a wide range with a high sense of fashion and a unique store concept”, developed into one of Northern Europe’s leading fashion chains. Its focus is affordable fashion for women, “...aimed at letting you express your individuality and meeting personal needs” with children’s wear, lingerie and cosmetics part of the selection (Lindex, 2011b). In 2010, Lindex had a turnover of around € 0, 5 billion, (cf. Lindex, 2011a) 5000 employees, and around 430 stores in various countries (Lindex, 2011a). Since December 2007, the company has been a part of the Finnish Stockmann Group (Lindex, 2011c) and Lindex has stores in Scandinavia, the Baltic States, Russia, Central Europe, Bosnia Herzegovina and the Middle East (Lindex d, 2011). The companies purchasing markets are China, Bangladesh, India, Turkey, and Italy (Lindex, 2009).

The company department in Shanghai that is investigated in our study, Lindex H.K. Limited, Shanghai Representative Office, works with “sourcing and securing deliveries and production in the Chinese market” (Swedish Chamber of Commerce, 2011). The office was established in 2001 and since 2008, the unit is the purchasing office for the entire Stockmann Group. At the office,

merchandisers manage the daily business and employees also deal with logistics and exclusively CSR-questions (Västsvenska Handelskammaren, 2010). The Lindex/Stockmann office consists of around 50 employees, where are 4 Scandinavians (Interview, P13).

To be a good employer with excellent reputation is of great importance to Lindex and the company wants to offer an inspiring and safe environment where the employees feel that they are part of the planning and the setting of objectives. Lindex sees cultural diversity as a competitive advantage and employee's world-wide are united in "their feeling for fashion, customers and commerce" (Lindex, 2009). Equal opportunities, regardless gender, ethnic origin or age, are important to Lindex to be able to satisfy and thereby motivate employees, and in turn, create a competitive and profitable company. Furthermore, strong leadership with focus on feedback to develop employees and thereby the company is of significant importance to create a better and more profitable environment (Lindex, 2009).

5. Empirical Findings

Our results from conducting the interviews are now presented and the original questionnaire for employees is found in Appendix 2 and the one for the manager in Appendix 3. In total, nine Chinese employees, four Scandinavian employees as well as one Scandinavian manager was interviewed. The view of the employees is presented first, followed by the manager's view. All interviews are named P1-P15 and information regarding position, age, gender etcetera of the employees is found under in the chapter named "List of interviewees".

5.1 Employees View

5.1.1 Satisfaction among Chinese Employees

The most frequently mentioned motivator amongst the nine Chinese interviewees was achievement. *Achievement* was chosen as number one by three interviewees and further mentioned by five, this out of our total sample of nine Chinese interviewees. The reasoning behind the choice of achievement was dispersed. One Chinese employee at Lindex stated: "if you

can achieve something at work it makes you want to do more” (Interview, P3). Furthermore, one Chinese worker at BESTSELLER stated: “The more difficult a task is to achieve, the more proud I am of achieving it” and another Chinese worker said: “the feeling of achievement increases the self-esteem” (Interviews, P9 and P5).

The second most important factor amongst the Chinese was *growth*. Growth was stated as the number one factor by one worker and mentioned without any ranking by five. When asked to motivate the choice, growth seemed partly related to achievement and as stated: “the need to develop one self, to reach goals and to feel like you have done something” (Interview, P5). The motives were also connected to advancement and promotion, and as said by one Chinese worker at Lindex: “everyone wants to get promoted” when asked to explain the reasoning behind the choice of growth (Interview, P3).

Salary was mentioned by five Chinese interviewees and is therefore ranked as the third motivational factor, with it being the number one factor for two workers. The motive behind the choice of salary was simple: “we need money to survive” (Interview, P5). One Chinese worker at BESTSELLER stated that when the employee began to work for the company, achievement was most important but now supporting the family economically means more (Interview, P6).

Other important factors, but non-crucial, to the Chinese interviewees are *relationships with co-workers*, *work conditions*, *work itself* and *responsibility* as the factors are mentioned several times but yet not received a top ranking of importance. Linked to these factors, many described the open, social environment existing at its respective office’s as very positive, encouraging the employees to continue working for the enterprise (Interviews, P1, P3, P4, P6, and P9). The Scandinavian work conditions, characterized by the Chinese interviewees as work conditions consisting of forty hours’ work week and little overtime, are attributes appreciated by the Chinese employees. One Chinese employee at Lindex stated that before working at Lindex, the employee worked for an American company. However, the interviewee preferred working for Lindex due to the more “flat” organization where an open communication with colleagues as well as the manager is possible (Interview, P1). The flexible work hours existing at Lindex are also mentioned as a reason for choosing work conditions (Interview, P3).

Advancement and *relationship with supervisor* are mentioned by three respective two workers, wherefore the factors are not so common in this study. However, promotion was mentioned several times but then as a motive for the choice of growth or described as mean used by the companies to show appreciation for tasks pursued. When asked to give reasons for the choice of growth, the respondents mentioned promotion as a motive, indicating that advancement as such, still showed signs of great importance (Interviews, P1-P3). One Chinese worker at BESTSELLER stated that: “promotion is important, you show others what you have accomplished and you get an increased salary” (Interview, P5). Regarding the latter factor, relationship with supervisor, the same Chinese interviewee continues: “also the relation with your supervisor is important, and I like the open environment in BESTSELLER, where I can communicate freely with my supervisor”. Furthermore, only two workers chose *security* as a motivating factor and the interviewees indicated that the rather safe office environment allows them to feel secure (Interviews, P6 and P7). Two interviewees also chose *company policy and administration*, and stated that the working hours in the Scandinavian enterprise was very good (Interviews, P2 and P9). Only one Chinese employee chose *recognition* with the explanation that the employee feels “seen” for the work performed, by colleagues as well as the manager (Interview, P1). Lastly, the factors *status*, *supervision*, *relationship with subordinates*, and *personal life*, were not chosen by any of the respondents. However, one worker added an own factor, *challenge* and indicated that: “challenges at work create motivation”. The employee mentioned that when she received a promotion after only six months’ work, it forced her to grow with this challenge (Interview, P4).

5.1.2 .Satisfaction in Personal Life among Chinese

When asked to specify factors important for creation of motivation in the employees’ personal life, it was clear that the factor *relationships with friends and family* were most important as it was mentioned by all Chinese interviewees. Five employees chose it as most important and four chose it without a specific ranking. The motives behind this choice were though rather dispersed amongst the interviewees. One Chinese respondent described a responsibility towards the family and clarified this responsibility as the most important thing in one’s personal life (Interview, P1). Other interviewees chose this factor simply because the relations you have with your family and friends make you feel good about yourself (Interviews, P2, P3, P5, P6, P7 and P9). As many of our interviewees are living with their families, it was also stated that family was important

because of the time you spend with them during your free time (Interviews, P2, P3, 5, P6, P7 and P9).

Living conditions was found as the second most common factor in the interviewees' personal life. Hence, living conditions were not chosen as a number one motivation factor by any of the interviewees but it was mentioned by eight out of nine respondents. It was stated that living conditions are important as the factor was an indicator to a good life, and therefore essential. To exemplify, the location of the apartment was mentioned by one employee who said that: "the location increases the feeling of safety" (Interview, P4).

The third most common factor was *security* as it was mentioned by seven respondents, of which two chose it as most important. Security was chosen because of a will to secure the family and the relation with it, as well as security being connected to living conditions, to have a safe home (Interviews, P2, P3, P4, P6, P8 and P9). The factors *responsibility* and *growth* are both mentioned by five respondents. When asked to explain one's choice, responsibility was commonly associated with the interviewees' families and the need to protect and take care of them (Interview, P1). The reasoning behind the choice of growth was also related to the concept of family creation: "to grow as a person by getting married and creating a family" (Interview, P4). Besides the family aspect, one Chinese employee at Lindex stresses: "the importance of gaining life experience and growing as a person" (Interview, P3). Furthermore, *recognition* also seemed important, being chosen by four respondents. For the interviewees, recognition was equivalent to being respected by your closest one's as well being able to travel and learn more (Interview, P3 and P7). Additionally, *achievement* and *salary* were both mentioned by three respondents. One Chinese respondent who works at BESTSELLER stated the relevance of achievement because: "it shows your value to the society" and another associated achievement with: "owning an own apartment" (Interviews, P5 and P6). Salary was important because of the mere reality of having to pay one's bills as well as an increased price level in Shanghai (Interview, P8). Lastly, of the remaining two factors, this being *work itself* and *status*, only one person chose work itself and none status. The Chinese employee who highlighted work itself stated the importance of the factor due to the amount of hours spent at work (Interview, P8).

5.1.3 Other Motivational Factors

When the interviewees were asked specify incentives found motivating, the following was mentioned: *bonus system*, *promotion*, or *personal feedback*. The latter two are considered as motivating by all respondents, regardless nationality, whereas the first factor, bonus system, was described as having both pros and cons. At BESTSELLER, a *bonus system* is practiced as this was mentioned by all Chinese employees as being a factor for creation of motivation, whereas the Scandinavians expressed a focus towards personal development and feedback. As described by the employees, bonus is paid annually and it is based on your individual performance (Interview, P10). One of the Scandinavian employees said that when working in Denmark, the bonus was based on group performance, creating a strong co-operation within that group whereas in China the bonus is individual (Interview, P10). A Chinese employee stated: “bonus is linked to promotion and promotion is motivating” (Interview, P9), indicating an underlining aspect of why bonuses are regarded as motivational. At Lindex, where no bonus system is practiced, the employees’ opinions regarding the non-existing bonus system are diverse. Two out of four Chinese interviewees stated a preference for a bonus system whereas the other two are content without a this reward system (Interviews, P1-P4). A Scandinavian employee at Lindex stated that: “a bonus system would not hurt; it is a sign of performing well” (Interview, P13). The argumentation held by employees at Lindex arguing for an introduction of bonus systems, was concerning remuneration of good performance whereas the argumentation held against the introduction of such a system, was based on the assumptions that Lindex offers a good working environment and possibilities for travel; this being more worth than a traditional bonus system (Interviews, P1-P4).

Promotion/Advancement was a factor appreciated by all Chinese interviewees, both at BESTSELLER and at Lindex. One Lindex worker said: “Promotion is motivating because it shows that the company believes in you” (Interview, P1). It was also stated by one of BESTSELLER’s Chinese employees that promotion was the most motivating factor as it is not all about money, that an increase in salary is necessary wherefore a promotion is more stimulating (Interview, P6). The Scandinavian interviewees at BESTSELLER claimed that bonuses and promotion are only motivating to a certain degree, stressing work tasks and personal responsibility as factors enhancing motivation to a larger extent (Interviews, P10-P12). The Scandinavian employees at

both companies stated that titles seem to be of importance to the Chinese and that the Chinese does not emphasize so much the work itself or getting more responsibility, the Chinese seems more concerned about showing off your title (Interviews, P10-P13).

The last incentive discussed by the interviewees was *personal feedback*. As stated by the employees, both enterprises investigated have annual meetings where personal feedback is given, this meeting commonly held in association with an annual increase in salary. Almost all Chinese interviewees are expressing contentment with having an annual feedback meeting, and one Chinese employee said that good feedback can be seen as an indication of an upcoming promotion (Interview, P5). Further, Chinese employees at both enterprises mentioned the open environment with free communication as motivating, where you are able to discuss issues directly with the team leader or manager. Additionally, a Chinese Lindex worker also stressed the positivity deriving from this open communication as it enables the employees to discuss problems directly and therefore conducting mistakes from time to time are seen as okay (Interview, P4). To continue, the more sporadic feedback was also of importance and it was mentioned that even the small things count, that indications of a well performed task “makes my day” (Interview, P9). Regarding how the company pursues motivational attempts, the Scandinavian interviewees have another view than the one given by Chinese. It was discussed that more time was spent by the two enterprises to fulfill the “needs” of the Chinese, leaving the Scandinavian employees somewhat forgotten and a need for more sporadic feedback was stressed (Interview, P11). A Scandinavian employee at BESTSELLER compares the situation in China with the situation when working in Denmark and stated that it was not a typical trait of BESTSELLER to give little personal feedback; it is rather an adjustment to the Chinese society (Interview, P11). Another Scandinavian employee at BESTSELLER also stressed the differences compared to Denmark and said: “In Denmark it was more focus on motivating the group to perform well, here it is more individualistic, even though I have the same manager” (Interview, P10). The same general opinions are given at Lindex where a Scandinavian employee described how little feedback is given but, however, mentions that the level of needed feedback varies from person to person, and that she does not find the lack of feedback as problematical (Interview, P13).

5.1.4 Appreciation at Work

Employees in both investigated companies have described a feeling of appreciated at work, by both colleagues and managers. At Lindex the workers, both Chinese and Scandinavian, described an open environment where one can communicate with all despite rank and everyone was therefore stating a feeling participation in decisions conducted by the company. One Chinese worker explained: “we need to co-operate to achieve our office goals and, therefore, we do not have much competition at the office” (Interview, P2). At BESTSELLER the same openness and “free” environment was stated and appreciation was described to be shown partly by direct communication or by promotion. When asked to exemplify a sequence where appreciation was felt, one Chinese worker said: “I just got promoted so therefore I feel appreciated by BESTSELLER” (Interview, P8). However, one Scandinavian employee again stated the need for increased feedback: “you want to feel appreciated for what you do, if someone never tells you it is hard to know and this is not exactly motivating” (Interview, P11). A Scandinavian employee at Lindex however said that: “I feel appreciated by my Chinese colleagues, they appreciate what I can teach them and this is important to me. I had to sacrifice a few things to able to work in China; therefore receiving this acceptance from them means a lot” (Interview, P13).

5.1.5 Cultural Differences: The Role of the Company

When Chinese employees mentioned some experiences, working for a Chinese versus Scandinavian company, one employee at BESTSELLER explained that Chinese companies use bonuses to a large extent whereas the Scandinavian companies are more opened, encouraging and focuses more on the people not just the tasks (Interviews, P5 and P7). To continue, one employee said: “Chinese companies usually have high bonuses whereas foreign companies, in general, have a higher monthly salary; this is more moral to me” (Interview, P5). Chinese companies are further described as being more hierarchical and that the manager was hard to reach: “You do not approach the manager with a question, as you might be wrong” as one employee said (Interview, P7). One employee at Lindex added her thoughts regarding why personal feedback is not commonly used in Chinese companies: “Relationships are important and you do not want to lose face. As feedback might be negative you may lose face” (Interview, P4). Furthermore, western companies are in general described as more efficient and working for a Scandinavian company was described containing both more and less pressure compared to working a Chinese company. More pressure was perceived since the western company is more efficient and, therefore, more

demanding whereas Chinese companies emphasized on bonuses and always performing well and therefore a different pressure was perceived. As an example, one employee at Lindex said that Chinese enterprises focus on the accomplished result, whereas Scandinavian companies also take into consideration how the result was achieved (Interview, P2). Furthermore, the Chinese employees describe the Scandinavian employees as more life indulging, something seen at work were the Chinese got the impression that the Scandinavians seem to choose their workplace based on personal interests and how the Scandinavians value the time spent off work to a larger extent compared to the Chinese preferences (Interview, P5 and P9).

The Scandinavians interviewees compared their working situation in Shanghai to their working environment in Scandinavia and one Scandinavian employee stated that: “the greatest difference is the amount of teamwork”; this being a greater part of her work in Denmark than in China (Interview, P10). In addition, types of benefits vary: “in Denmark I received bonus and free lunch, in China I get an apartment and taxi if I work late, this is a great difference” (Interview, P10). A colleague also discussed the lack of coaching and development training stating that this was pursued by BESTSELLER to a larger extent in Denmark (Interview, P11). One of the reasons for this, the employee believed was the more volatile labor market found in China with people changing jobs more often than in Scandinavia.

5.1.6 Cultural Differences between Employees

After having presented the results regarding how the Scandinavian companies was perceived by all interviewees, and also discussing the differences found if comparing the Scandinavian working climate and the Chinese, a discussion regarding the cultural differences *between* employees will held.

One Chinese employee at Lindex described the Scandinavians are more creative and believed the reason for this is to be rooted the educational differences (Interview, P1). It is further said that Scandinavians are perceived as “talkative, open and easy going” whereas Chinese are more “shy and observing”. An employee at BESTSELLER said that Scandinavians work with less pressure, that they are perceived as more relaxed, giving the impression that they are enjoying life to a larger extent than the Chinese (Interview, P5). The employee stress that competition is fierce in China and that you are practically obliged to take the job you get, you cannot choose and you

need to compete to gain a good position (Interview, P5). He concluded by saying: “this is also why China is more individualistic”. When asked if there are any difficulties in co-operation because of different cultural background, one employee at Lindex stated that: “when speaking with my Chinese colleagues, the discussion is straighter. Scandinavians talk a lot more and sometimes no decisions are taken, which can be frustrating” (Interview, P4). It was further stated by an employee at BESTSELLER that: “when Scandinavians leave work, it is hard to contact them. They value their free time” it is said (Interview, P9). The employee continues by explaining that a Chinese manager is preferable since: “we think differently; Chinese are not used to working in groups, it is not the way we are thought”. She also believed the greatest reason for having a Chinese manager was “the easy communication” (Interview, P9). Lastly, it was further discussed that the younger generation of Chinese are becoming more westernized and as one employee at BESTSELLER stated: “the young generation is learning from US and EU and are therefore becoming more opened to another way of thinking. They are aware of the western corporate culture and the increased focus on retaining staff” (Interview, P5).

Also the Scandinavian have noticed some differences which they believed could be related to culture. A Scandinavian employee at BESTSELLER stated that Chinese do not seem to favor change at work: “The Chinese do not understand why we need to change something that is working”. She further discussed that conducting improvements are rather difficult and the employee explained: “Because they do not like changes they do not try to improve something or work harder than expected” (Interview, P10). A colleague said: “I always do extra work, trying to improve a task and showing people what I can do, thus, my Chinese manager finds this a bit hard to handle; she is not used to this extra effort” (Interview, P11). It was also said that the Chinese, if having ability prefer setting their goals lower than the Scandinavians because if they fail to achieve them it would mean to lose face (Interview, P10). Regarding promotion, a Scandinavian employee told us about a Chinese employee in her team who performs really well and who could, if engaging a bit more, be promoted soon: “however there is no interest in promotion, the employee just accomplishes the given tasks” (Interview, P10). Lastly, it was discussed that salary is important to the Chinese: “they want to buy things and a lot of money is spent on their home” (Interview, P10 and P11).

5.1.7 Recent Changes Regarding Companies' Roles

“China is changing but there is still a big difference between foreign and Chinese companies” a Chinese Lindex worker said (Interview, P1). The employee continued, stating that: “the greatest difference is regarding bonuses”. A Scandinavian employee mentioned that the labor law is also improving factors such as overtime (Interview, P10). A Chinese Lindex employee stated that: “Chinese companies should change and focus more good working environments, cutting down the overtime” (Interview, P3). A Chinese colleague also said that: “bonus is simply not enough, you need feedback and promotion!” (Interview, P4).

One of the Scandinavian employees mentioned that: “the working conditions are becoming more human”, and that she experiences an increased focus on welfare (Interview, P10). “However”, the employee says, “state owned factories are still the same as it has always been; no change there yet” (Interview, P10). Another Scandinavian employee further believed: “many Chinese like working for Scandinavian enterprises because they are offered further education and thereby learning more, this is not common in Chinese companies”. “It must be appreciated”, the employee continues, “because the salary is usually lower when working for western company as compared to working for a Chinese one – yet they stay” (Interview, P11). One Scandinavian employee at Lindex stated: “I see a great difference in the way Chinese act when having worked for in our company for a while; they are more open minded and more self-driven at work” (Interview, P13).

5.2 Managers View

Considering the manager at BESTSELLER's view concerning satisfaction among employees, the manager believed that a predominant part of Chinese subordinates would choose *salary* as the most important factor for satisfaction and thereby motivation. Even though other factors like *recognition*, *advancement*, *company policy* and *status* play great roles according to the manager, *salary* was believed to be the leading factor among the alternatives given. Families need the support of a decent salary, and both Chinese men and women often contribute to the substance of the closest in-group. Furthermore, *recognition* seemed to be of great importance to the Chinese employees. To notice the employees and give equal amount of attention are of significance if not

wanting to cause jealousy and intense competition among Chinese staff members, the manager states. Connected to each other was the mentioned importance of *advancement* and *status*, which the manager believed create a feeling of success that, moreover, is transferred to the private life of the employee. Having a euphonic and superior work title means a lot in China, the business manager mentions. In addition, Scandinavians at BESTSELLER in Shanghai, the manager believed, are satisfied by factors of *achievement*, *growth*, *company policy and administration*, *supervision* and, *personal life*.

Concerning incentives and benefits motivating the employees, the manager believed that *feedback* at work was of great importance. The employees, both Chinese and Scandinavian, want to learn and develop themselves through new challenges and tasks. Bonus systems are further of significance in Chinese society and also among Scandinavians in Shanghai. However, “Chinese are more hard-core when it comes to bonus”, the manager stated. The quest for bonuses is more substantial and focused, if compared to their Scandinavian co-workers. Moreover, Chinese appreciate company events, and making allowances for Chinese public holidays and traditions is seen as a must. Otherwise, company and management will be regarded with disfavor. The manager further stated that promotion is of importance, especially among younger Chinese employees.

Connected to differences when supervising a Danish office, the manager stated that “95 per cent of my management methods are the same, only 5 per cent have changed”. Shanghai and China are developing and growing at a rapid pace and the manager thinks that these days, the requests from employees, both Chinese and Scandinavians, tend to correspond with each other. A well-defined human resource policy is needed to meet requests from employees and to keep them in the company. After working for the company for some years, pursuing BESTSELLER’s vision of unity and family values is realized. The manager further believed that the young and inexperienced are more difficult to motivate, though there are many similarities between junior and senior staff.

A difference comparing China and Scandinavia is the harder competition climate, the manager believed. “China is hard to grow up in, there is a lot of competition and only the best can go to

good schools”. This could possibly be related to the strong ambition among young Chinese employees of wanting to get promoted instantly. “Sometimes it seems to be hard to understand that five years experience take five years to get”, the manager stated.

To accept the fact that there are cultural differences takes a while, the manager stated. The Scandinavian straightforwardness is not common among Chinese employees, and reversed. How to show and treat people with respect is different in the two cultures. In the end of the day, the differences are not so big between Chinese and Scandinavians and the managerial style that is performed has not changed appreciably compared to when running a Danish office. “95 per cent of my management methods are the same, only 5 per cent have changed”. People want respect and to be treated in the same way and when dealing with well-educated employees at BESTSELLER, it is rather similar on both continents. The largest difference is regarding complaints and leave. In the case of Chinese employees, a more silent complaint is carried out when something is wrong and often the right reason for leave is not communicated. This, according to the manager, is a result of employees not wanting to show any kind of disrespect if the reason for the leave is connected to company performance. To be able to speak the language Chinese is favorable in multicultural environment, the manager stated. However, only a few of the subordinates do not speak English which eases the communication.

If briefly summarizing some thoughts concerning the Shanghai office of Lindex, the way of working is given significant effort as the Lindex spirit of participation and equal opportunities should be present world-wide (Lindex, 2009; Interview, P15). The operating manager at Lindex office in Shanghai mentions the “Swedish way of working” to be of great importance to retain employees. The manager believes that “the flexible work hours, parental leave, and general understanding of the workforce” are some reason why high employee turnover is not a problem at Lindex, which is a concern in many other companies in China. The manager also mentions the importance of long-sightedness when working with the Chinese, and argues this being of greater importance for female workers than for the male (Interview, P15).

6. Analysis

In the chapter analysis, our empirical findings are evaluated according to the theoretical framework and our own reflections. We have chosen to look deeper into the three most frequently picked factors of achievement, growth and salary. We will reflect upon the cultural heritage and its possible impact on the choices of satisfying factors and furthermore, the response to Scandinavian working values among Chinese employees in our researched organizations.

6.1 Achievement, Growth and Salary: The Importance of Corporate Culture, Historical Heritage and Personal Success

When the Chinese interviewees were asked to rank factors creating satisfaction at work, the factors that seemed to motivate the Chinese the most were: *achievement, growth and salary*. The reasoning behind their choice will be evaluated as well as other factors and findings important to formulate answers to our problematization.

The Scandinavian working environment was preferred by our interviewees for several reasons, the open climate and ability for enhanced learning being two of which, and we argue this preference to be related to *achievement and growth*. According to our findings, it seems like a company where employees feel that they can grow and develop themselves is something that is valued among the Chinese. The Scandinavian business culture is rooted in the Scandinavian way of thinking, which can be connected to Hofstede (2001) and certain cultural dimensions of individualism, femininity and low power distance. Scandinavia is characterized by a low power distance, strong femininity and high individualism, reflected by the corporate cultures of both Lindex and BESTSELLER. Both companies strive to create an open work and friendly environment (Interviews, P14 and P15), transferring Scandinavian values to their respective offices in Shanghai; this because it is believed to be the key to a good result, increasing the efficiency. It is further stated by the Chinese interviewees that being able to communicate in an open, non-judgmental, environment enables them to have the courage to ask the manager for help. Furthermore, as the Chinese enterprises are a reflection of the Chinese culture, with high power distance (Hofstede, 2001), asking someone for help is not preferable because if you are wrong, you might lose face (Noronha, 2009). Having the possibility to ask for help is a way to learn

more, thereby grow and achieve more at work. As China is a paternalistic society (Trompenaars, 1996), relationships are of importance and an open, friendly environment could thereby be favored by the Chinese, as it strengthens the ties between employees. Many Chinese also stressed that the Scandinavian environment allows them to grow as they are forced to participate more when working, to take their own decisions and act in a rational way. Wanting to achieve a good result is often connected to growing as a person at work, and, as stated, the desire to accomplish a difficult task forces you to learn more.

Additionally, as the employees are rather young this could also explain the need for personal development, and, as the Chinese labor market is described as changeable and competitive (Interview, P5; Zhu and Dowling, 2000), the Chinese feel the need to perform well and thereby achieve a better position in society. The Chinese interviewees all stated that working for a western, or Scandinavian, enterprise, is seen as very positive. It is stated by the employees that going abroad is appreciated, giving the employees knowledge otherwise unobtainable if only working in China, and thus affecting personal development. We also argue that China's history of communism is still coloring everyday life (Sweden Abroad, 2011b). As the country becomes more open, yet still influenced by communism, we believe that enterprises focusing on a more individualistic approach, but still highlighting creation of a group-feeling at the companies, attract more western-oriented Chinese. Further stated by Hofstede (2001) is the observation that individualism grows stronger and power distance diminishes with economic development. Thus, a possible connection to China's development and an increased individualism and appraisal of same level communication, the synchronizing across hierarchies, could be determined.

However, despite this clear indicator of Chinese preferences for motivational factors such as achievement and growth, when the interviewees were asked to specify what kind of *incentives* that are the most motivating, the result was, with our expectations in mind, rather surprising. Personal feedback, partly related to growth, was mentioned but not to the same extent as promotion. Promotion was favored by the Chinese and is seen as a sign of achievement, when the Chinese are promoted this is related to having performed well and thereby having achieved something. These findings can also be linked to the theory of Maslow (1958) and its connection to Herzberg (1968). According to Herzberg (1968), the true motivation derives from the

motivators, motivators then being representatives of the concept of self-actualization elaborated by Maslow. Subsequently, we argue the case of the Chinese' will for achievement and growth to be two-fold. On the one hand, our study indicates an increased will among Chinese to achieve more, particularly for their personal development, thereby supporting the findings of both Herzberg and Maslow. Thus, on the other hand, Hofstede (2001) discusses that the "Need Hierarchy" (Maslow, 1958) is not applicable to the case of China as the model is developed for more individualistic societies. We therefore argue that the main aim amongst the Chinese is not related to their individual performance, since China is a collectivist society, but instead to a strengthen position in a group (Hofstede, 2001).

We found that achievement and growth are important motivators for our respondents, and this is consistent with what was stated by Herzberg (1993), being first-level motivators. Thus, when discussing the meaning and the reasoning behind the choices, the second-level factors of achievement and growth seems to be advancement or promotion, and not personal growth or personal achievement. When choosing achievement and growth as being the most motivating factors, we argue that these factors could possibly have been chosen because achievement and growth are linked to a feeling of being seen by the company and "in the long run leading to promotion" (Interview, P5). These findings coincide with Herzberg's (1993) research as he found recognition to be an important second level factor. We argue here that because of the hierarchical and ascribed environment existing in China (Hofstede, 1983, 2001; Trompenaars, 1996), promotion and retaining a superior title is in fact a sign of recognition. The importance of attaining a better title seems to be of greater significance than the actual personal development within the organization. We therefore argue that the choice of achievement and growth might not have been chosen solely for the purpose of personal development. This statement also corresponds to Herzberg *et al.*'s. (1993) findings regarding interrelationship between factors. As we believe recognition is related to promotion for the Chinese, Herzberg *et al.* (1993) claim that recognition of achievements at work are motivating, is applicable here. In addition, as Herzberg *et al.* (1993) stress, the combination of both short- and long-term factors is of importance and as advancement seems to motivate the Chinese, this is therefore consistent with Herzberg *et al.*'s (1993) statement that long-term motivators lead to greater performance. Thus, achievement and

growth as short-term satisfiers are also of significance to our interviewees, creating a preferred combination of short and long-term factors.

To continue the discussion regarding promotion, the importance of promotion and titles can be strengthened through thoughts shared by the Scandinavian interviewees. They mention the experienced focus on attaining titles among their Chinese colleagues and argue that the Chinese sometimes show indications of being more motivated by the title than the task itself (Interview, P10-P13). Consequently, achievement might not always function as an intrinsic motivation factor. We could possibly connect the strong focus on promotion and titles to the breaking of the 'iron-rice bowl' (Zhu and Dowling, 2000) where diminishing job security may have led to a substantial concentration on attaining new positions within the company, thus, according to us, retaining the security of work in a different way. We argue that the Chinese relate promotion with increased possibility to improve the work situation and the ability to shape their professional life accordingly, something not being possible some decades ago. This could further be connected to the low level of uncertainty avoidance and the long-term orientation where a quest to succeed and develop personally, focusing on future life, are of significance according to Hofstede (2001).

Moreover, *salary* was mentioned by our interviewees as one of the top satisfying factor. The factor of salary has two aspects: the first being the importance of salary as such, the other being the tradition of bonuses. When explaining why salary matters, the justification of needing money to survive and the increased living costs in Shanghai was mentioned. All interviewees mentioned both family relationships and living conditions as the most important factors in their private lives, and salary enables the interviewees to provide a good life for their closest in-group. We were here correct in our expectations of the importance of personal life amongst Chinese employees and this is correlation with the research conducted by Trompenaars (1996) who characterized China as a diffuse society where the boundaries between personal and business ties are not directly visible. The feeling of needing to support one's closest group could also be connected to Hofstede's theories (2001) of individualism versus collectivism. China is ranked as a society with strong collectivist thoughts and being able to support the family is of great importance, thereby leading us to a possible connection to the significance of salary.

Furthermore, in connection to the history of collectivism, a discussion around the Chinese historical perspective concerning salary and bonuses could be of interest when evaluating why salary occupies a high position among the factors creating satisfaction. Quoting left-wingers in China during Mao's communist regime, "the bigger the differences in the payment for labor, the more capitalism there is" (Henley & Nyaw, 1987: 13); it was a time of equal wages and a non-existing materialistic incentive system. Thereby, with a quite recent change and a transformed wage system, salary could possibly play a different role today. Before, wages were controlled and unable to be influenced by ordinary Chinese workers. Today, the Chinese can increase their salary level, and also often earn a certain bonus if personal and company performance are improved, creating a result and performance oriented environment with a stronger focus on wages (Zhu and Dowling, 2000). Looking at our sample, we believe that the ability to affect salaries and bonuses could have led to it being a strong factor of motivation and it was stated by one Chinese employee that bonuses are "a sign of good performance" (Interview, P6). It is argued by Zhao (1995) that Chinese employees prefer bonuses determined by individual results, thereby leaving the traditional description of the collectivist Chinese given by Hofstede (2001) and supporting our statement of salary being of importance regarding motivation. Despite what is argued by Zhao (1995), incentives such as bonus system, are related to a more short-term vision of time (Hofstede, 2001; Trompenaars, 1996), wherefore we argue that it would possibly not correlate with the long-termed focused China. Furthermore, Herzberg *et al.* (1993) stated that salary can increase job satisfaction as it is linked to advancement and a feeling of recognition. However, Herzberg *et al.* (1993) emphasizes that salary can only create short-term work contentment and does not lead to satisfaction in the long run. He stresses that since, according to him, salary belongs among the hygiene factors and is only seen as a KITA factor; thereby its function is non-motivational (Herzberg, 1968). Thus, we argue that since our respondents accentuate the importance of promotion and, as Herzberg *et al.* (1993) clarify the interrelationship between salary and advancement; we argue the importance of salary to be of greater significance than stated by Herzberg (1993). As the Chinese value advancement, we argue that the choice of salary as a motivating factor could be related to Hofstede's (2001) description of China as a masculine society. A masculine society is focused on advancement and earnings, giving support to the potential importance of salary in China (Hofstede, 2001). To continue, the manager and the Scandinavian employees all state that their Chinese co-workers put great

emphasize on the importance of good wages and titles. The Chinese are described as being more “hard-core” and focused on salary, foremost on the bonuses, to a larger extent than the Scandinavian colleagues (Interview, P14).

Worth bringing up again is the importance of a stimulating, developing working environment. A motivating company culture can possibly be more worth and preferred over an uninspiring and better paid environment, as in the case of the companies in our study. This can further be connected to the choices of most satisfying factors, having achievement and growth as the most satisfying alternatives. Lindex and BESTSELLER are not seen by the employees interviewed as high-pay environments but both, according to us, seem to use a typical Scandinavian company culture of openness and development options to retain staff. As Lindex does not practice a bonus system, this could yet be an indicator of the mentioned importance of a well-operated organizational culture. Moreover, what could contribute to the positive spirit in the concerned organizations is, as described by some Chinese employees, Scandinavian indulgence in life and enjoys work (Interview, P5 and P9). Hofstede’s recent dimension (2011), Indulgence versus Restraint, can be coupled to this statement where Nordic countries, including Scandinavia, attained a high score on the Indulgence scale while Restraint is dominating in Asian countries (Hofstede, 2011).

6.2 Other Aspects: Much Talk, Little Action?

Having discussed the three top ranked motivators, there are some surprises that we did not foresee. In the beginning when we conducted this study, we believed that the motivational factors *recognition and responsibility* would be more frequently mentioned. In Herzberg *et al.* initial study in 1959, recognition was found as the second most important motivator in his sample. However, in our, though smaller sample, only one worker chose recognition as motivating. We believe this might be related to recognition being described as a second-level factor to achievement and growth as well as to advancement. As the interviewees thereby associate recognition with the three factors, they did not feel the need to state it once more. However, the manager interviewed supports the findings of Herzberg (1993) and indicates that Chinese seem to

be motivated by attention from superiors and that it is important to give each employee the same amount of time to avoid jealousy (Interview, P14).

The importance of promotion to the Chinese has been discussed and we believed that this would imply a greater focus on responsibility and a will to take own initiatives. As mentioned by the Scandinavian interviewees, there could sometimes be problems concerning their Chinese co-workers aspiration and willingness to take own initiatives. The cultural aspects of collectivism and Confucianism could be relevant since a more group-oriented thinking is implemented in the Chinese society which is different to the individualistic performing Scandinavia (Hofstede, 2001). We further argue that the importance of not losing face is of interest since it is part of the Chinese culture to maintain social attributes of prestige and reputation. The possibility of making mistakes could thereby be a source of the non-responsibility taken and gives reason to the mentioned situation. As specified by Hofstede (2001), the level of uncertainty avoidance is measured as similar in Scandinavia and China with both areas occupying lower positions on the avoidance scale. Though, we associate the expression of “face loss” with a certain level of uncertainty avoidance, possibly indicating a stronger influence on the Chinese society compared to what is indicated by Hofstede (2001).

Regarding *personal feedback*, the different cultural heritages existing among employees are visible. We believe that the Chinese is perhaps not accustomed to receiving direct feedback which could be connected to China being characterized as a masculine country with high power distance (Hofstede, 2001) as well as China being characterized as neutral culture, not showing emotions (Trompenaars, 1996), therefore might feel anxiety towards receiving personal feedback. Despite these indications of difficulties in receiving personal feedback, the Chinese seem to appreciate it and, in fact, all personal feedback received seem to matter. At both companies studied, an individual evaluation is given annually which is appreciated by the Chinese interviewees. The interviewees mention that the good possibilities to communicate with their manager whenever any problems arise, and solving them together if necessary, are, according to the Chinese, symbolic of the Scandinavian way of working. However, the Scandinavian interviewees state a wish for more personal feedback and comment of their work, leading us to the possible conclusion that there are different perspectives regarding to what extent feedback

should be provided by management. Furthermore, we argue that the preference differences could possibly be connected to the Chinese unfamiliarity to personal feedback as it might have been associated with face loss. The aim of personal feedback is to improve employees' work and this might involve giving critique, conflicting with Chinese preferences concerning respect (Norhona, 2009). However, due to the discussions regarding the meaning of uncertainty avoidance and truth, giving feedback can sometimes be rather challenging (Hofstede, 1991). As Scandinavians and Chinese does not have the same definition of truth, this can possible lead to being misunderstood as the Chinese value for protecting one's face rather than stating the absolute truth. A Scandinavian manager mentions that when Chinese employees quit, they rarely give a reason for this, leaving the manager without ability to act. We therefore stress the meaning of creating possibilities for open communications, in combined Chinese and Scandinavian way, to be able get know the Chinese and their preferences.

6.3 Scandinavian and Chinese Employees: Same Same but Different?

We would further like to emphasize on our impressions regarding similarities and dissimilarities, concerning Chinese and Scandinavian employees. We argue that the interviewees claim to be motivated by the same factors and to have similar aspirations at work, however, it seems like Chinese and Scandinavians measure effort and performance differently. To clarify, it appears as though Scandinavian measures of achievement do not correspond to Chinese equivalents, probably leading to a rather difficult work situation. Each of the Chinese interviewees describe a quest for achievement and personal growth, but this is perceived as not always being consistent across cultures, as we all have different definitions of success and development. As Scandinavians are more internal oriented, hard-working to control fate and nature, while Chinese emphasize more on attributes considered as external (Trompenaars, 1996), it could possibly explain certain problems arising in a multicultural environment. If this is due to historical differences or other factors, we leave unsaid but, to highlight, the experienced differences are of significance to know to be able to meet and shape employees on different levels of development in multicultural environments.

7. Conclusion

After having shed light on various factors and theories regarding the concept of motivation, our findings both correlated with what first believed, yet provided some unforeseen findings. Our empirical findings indicated three preferred factors creating motivation; *achievement, growth and salary*. A common feature among these factors was the reflection of Chinese history as well as a more western way of thinking. Beginning with *achievement and growth*, a majority of our sample found these two factors highly relevant when describing factors creating motivation. We argue the reason behind this choice to be twofold; one part was related to personal, professional development, whereas the other part was simply linked to attaining a better status in the hierarchical China. Furthermore, as our empirical findings are in correlation with the findings of Herzberg and Maslow, we argue encouraging of achievement and growth to be key factors when motivating Chinese employees. However, worth stressing amongst our empirical findings is also that promotion, or advancement, at work was mentioned synonymously with achievement and growth, as a feeling of recognition. Discussed is therefore if the collectivistic and masculine society (Hofstede, 2001), which is deeply rooted in the Chinese mindset, is still of significant importance even to the younger generation investigated. Yet, our findings indicated that achievement and growth do not directly correspond to the definitions once stated by Herzberg's (1968) concept of achievement and growth, as the factors were meant to reflect the level of self-actualization intended by Maslow (1958). The factors amongst the Chinese employees rather show a reflection of a hierarchical, competitive China where achieving well at work is a symbol for welfare.

Furthermore, *salary* was mentioned as an additional motivating factor and it was described as important due to possibilities to contribute to one's family, strengthening the arguments of a collectivistic China stressed by Hofstede (2001). We were here correct in our expectations of the importance of personal life amongst Chinese employees; a finding we believe important to bear in mind when working in China. This finding is further in correlation with the research conducted by Trompenaars (1996) who characterized China as a diffuse society where the boundaries between personal and business ties are not directly visible. Additionally, we expected some of the hygiene factors to be of greater significance, security and status to mention a few; however, these

expectations were not realized to the frequency believed. We though stressed its underlying importance when analyzing Herzberg's second level factors.

A surprise emanating from the empirical findings was the weak preference for responsibility. However, we argue that this is linked to the concept of face loss as well as related to the low level of individualism found in China, as stated by Hofstede (2001). Taking personal responsibility is not always seen as a natural attribute amongst culture of low individualism (Noronha, 2009; Hofstede, 2001).

The Scandinavian work values, openness and equality, are appreciated by the Chinese, and the Chinese foremost mention the open communication across hierarchies within the workforce as one of the most positive factors. If referring to the findings of Hofstede (2001), combining the feminine, individualistic Scandinavian with the masculine, collectivistic China might seem like an impossible task. We, however, argue the similarities to be somewhat forgotten and, as indicated by Hofstede (2001), as several countries occupying top-positions are Western, introducing Western developed technologies in countries influenced by collectivism creates a forced transit of societal norms. Although, to combine sometimes diverging work values of decision-making and performance level among the two cultures might include believes hard to anticipate on beforehand. According to our findings, Scandinavians and Chinese take on hard work and responsibility with different approaches, where Scandinavians perceive Chinese as less motivated to achieve and develop within studied organizations. This experienced behavior is possibly connected to certain historical, other cultural or even personal factors, but we do not take the discussion any further. We therefore believe in the importance of management observing and targeting these differences in order to achieve best possible cooperation opportunities, to be able to incentivize all employees and to enable future improvements within the organization. To create an environment where employees feel like they can grow and achieve according to their own preferences forms a motivated team, where corporate culture and everything embodied in the concept is of importance in the quest towards performance and success for organizations. A satisfied and motivated workforce forms the foundation for creativity and a will to perform, both for the individual good and for the sake of the company – thus, *what goes around, comes around*.

8. Implications for Management

In general, when operating in multi-cultural environments, the need for respect of foreign, unfamiliar cultures is crucial. Our empirical findings indicated that when striving to motivate Chinese employees, factors such as achievement, growth and salary are of importance, however, understanding the Chinese cultural heritage is of significance, and managers cannot interpret the factors literally. Of high relevance to stimulate the Chinese employees in an accurate way is the necessity of understanding these factors in a Chinese context. Achievement and growth are mentioned, representing the importance of personal growth and achievement of tasks, thus, it is mentioned in correlation with a preference for advancement and promotion. Starting with personal growth and achievement of tasks, personal feedback, a pat on the shoulder and a straight forward communication are factors mentioned in relation to these two factors and should therefore be emphasized. Even if directing attention to these advices, our empirical findings also showed the importance of rank amongst employees wherefore promoting a Chinese employee, or give a superior title, is shown to be effective if wanting to create a motivated workforce. Promotion is a sign of appreciation; that the company believes in your potential which is believed to create a personal growth amongst the Chinese. Due to this, we stress the need for management to focus on titles when conducting business in China. Furthermore, the concept face is of significance when operating in China and as the Chinese employees strive to keep face, an understanding of this in projecting goals is relevant. The employees do not want to risk not attaining goals set, leading to a common misinterpretation amongst foreign staff that Chinese are rather undiligent, which is not a correct interpretation. Culture is different and to keep face, the Chinese employees are not in favor of setting goals to high or taking on too much responsibility since doing so will increase the risk of losing face.

With regards to salary, it is worth emphasizing that its importance is strongly related to being able to support one's closest in-group but also reflecting the ongoing economic development in China. Salary matters to the Chinese employees due to several factors, to handle increased living costs as well as to secure one's life and create future comfort. Companies need to be aware the importance of a just salary level if wanting to retain competent staff.

9. Suggestions for Future Research

Motivation is a complex area to study and national, cultural and personal preferences all create differences in satisfying factors that need to be considered within organizations for best possible result. Since our study is rather limited, a generalization concerning Chinese employees in Scandinavian companies in Shanghai is most likely not possible. It would be desirable to broaden the coverage to obtain reliable and comprehensive result, involving several Scandinavian companies of similar character and additional Chinese interviewees. Deeper research, including different regions of China and questionnaires designed in Chinese, are examples of development needed to achieve an overall and reliable picture of Chinese employees in Scandinavian companies. Furthermore, to study and compare Chinese companies and their workforce with Scandinavian organizations and their employees could be of interest to determine certain similarities and dissimilarities regarding satisfying factors and motivation among the two.

As stated, it is central with a motivated workforce within an organization. It is of further significance to know possible differences among employees which we have evaluated with cultural and motivational theories of Hofstede (1983, 1991, and 2001) and Herzberg (1968, 1974, and 1993). These basic, but acknowledged, theories could be complemented with other well-known or new studies concerning motivation for an assuring result. Concerning further research and elaboration, McClelland (1961) and his theory of the need for achievement, affiliation and power could also be of importance to a similar problematization and could be applied on the Chinese/Scandinavian environment. This study could be applied when further evaluating the area, as well as other, possibly more Asian-focused and newly published studies, could be of interest.

We have discovered similarities and dissimilarities regarding Chinese and Scandinavian values and culture. To further advance the research is of significant importance to create a well-working and motivating multicultural environment, both in China and world-wide. China is in a phase of fast economic and social change, and to evaluate the country once more according to Hofstede's cultural dimensions (1983, 1991, and 2001) could be of significant importance to give a clear and correct picture of the Chinese population's attitude. We hope and believe that our dissertation is a

contribution to the field of motivation and the construction of cultural bridges of understanding in multicultural environments, especially when it comes to collaboration between the area of Scandinavia and China.

10. List of interviews

Number	Nationality	Gender	Age	Company	Position
P1	Chinese	Male	30	Lindex	Auditor
P2	Chinese	Female	36	Lindex	Senior Merchandiser
P3	Chinese	Female	31	Lindex	Senior Merchandiser
P4	Chinese	Female	33	Lindex	Team-Leader
P5	Chinese	Male	28	BESTSELLER	Merchandiser
P6	Chinese	Female	25	BESTSELLER	Shipping (f.assistant)
P7	Chinese	Female	29	BESTSELLER	Merchandiser
P8	Chinese	Male	26	BESTSELLER	Merchandiser
P9	Chinese	Female	27	BESTSELLER	Team-Leader
P10	Danish	Female	24	BESTSELLER	Creative Buyer
P11	Swedish	Female	27	BESTSELLER	Junior Merchandiser
P12	Danish	Female	32	BESTSELLER	Designer STD
P13	Swedish	Female	31	Lindex	Product Developer
P14	Danish	Female	36	BESTSELLER	Manager
P15*	Swedish	Female	-	Lindex	Manager

*Interview has not been conducted personally but interpreted from:

Västsvenska Handelskammaren. 2010. *Så arbetar vi i Kina - svenska bolag berättar. Interview with Maria Faxgård, manager Lindex in Shanghai*

<http://www.handelskammaren.net/Nyhetsrum/Arkiv/Artiklar/2010/2010/Sa-arbetar-vi-i-Kina---svenska-bolag-berattar/>. Accessed 3 May 2011.

11. Reference List

BESTSELLER. 2010a. *BESTSELLER History*.

<http://www.BESTSELLER.com/press/Documents/BESTSELLER%20history.pdf>.

Accessed 27 April 2011.

BESTSELLER. 2010b. *Our Vision*.

<http://www.BESTSELLER.com/press/Documents/BESTSELLER%20vision.pdf>.

Accessed 27 April 2011.

BESTSELLER. 2010c. *10 Basic Principles*.

<http://www.BESTSELLER.com/press/Documents/BESTSELLER%2010%20basic%20principles.pdf>. Accessed 27 April 2011.

Bjerke, B. 1999. *Business Leadership and Culture: National Management Styles in the Global Economy*. Massachusetts: Edward Elgar Publishing.

De Cieri, H., Zhu, C.J., & Dowling, P.J. 1998. *The Reform of Employee Compensation in China's Industrial Enterprises*. Working Paper.

<http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1117&context=cahrswp&sei-redir=1#search=>. Accessed 29 April 2011.

Ejvegård, R. 2009. *Vetenskaplig metod*. 4th ed. Lund: Studentlitteratur AB.

Ewen, R. B., Smith, C., Hulin, C., & Locke, E. 1966. An empirical test of the Herzberg two-factor theory. *Journal of Applied Psychology*, 50: 544-550.

Henley, J.S. & Nyaw, M.K. 1987. The development of work incentives in Chinese industrial enterprises - material versus non-material incentives. In M. Warner. *Management Reform in China*. London: Frances Printer: 114-148.

Herzberg, F. 1968. One more time: How do you Motivate Employees? *Harvard Business Review*, 46 (1): 53-62.

Herzberg, F. 1974. Motivators and Hygienes. *Organizational Dynamics*, 3 (2): 18-29.

Herzberg, F. 1987. One more time: How do you Motivate Employees? *Harvard Business Review*, 65 (5): 109-112.

Herzberg, F., Mausner, B., & Snyderman, B. 1993. *The motivation to work*. 7th ed. New York: John Wiley and Sons.

Hill, C. W. L. 2010. *International Business – Competing in the Global Marketplace*. 8th Ed. Boston: McGraw-Hill/Irwin.

Hofstede, G. 1983. The Cultural Relativity of Organizational Practices and Theories. *Journal of International Business Studies*, 14(2):75-89. Palgrave Macmillan Journals.

Hofstede, G. 1991. *Cultures and Organizations: Software of the Mind*. London: McGraw – Hill International (UK) Limited.

Hofstede, G. 2001. *Cultural Consequences*. Thousand Oaks: Sage Publications.

Hofstede, G. 2009a. *Cultural Dimensions*.

http://www.geert-hofstede.com/hofstede_dimensions.php. Accessed 28 April 2011.

Hofstede, G. 2009b. *Cultural Dimensions - China*.

http://www.geert-hofstede.com/hofstede_china.shtml. Accessed 28 April 2011.

Hofstede, G. 2009c. *Cultural Dimensions - Sweden*.

http://www.geert-hofstede.com/hofstede_sweden.shtml. Accessed 28 April 2011.

Hofstede, G., & Minkov, M. 2010. Long- versus Short-Term Orientation: New Perspective. *Asia Pacific Business Review*, 16 (4): 493-504.

Hofstede, G. 2011. *Dimension of National Culture*.

<http://www.geerthofstede.nl/culture/dimensions-of-national-cultures.aspx>.

Accessed 25 April 2011.

Inglehart, R. 1997. *Modernization and post modernization: Cultural, economic and political change in societies*. Princeton, NJ: Princeton University Press.

Jackson, T., & Bak, M. 1998. Foreign Companies and Chinese Workers: Employee Motivation in the People's Republic of China. *Journal of Organizational Change Management*, 11(4): 282-300.

Lindell, M. & Arvonen J. 1997. The Nordic Management Style in a European Context. *International Studies of Management & Organization*, 26 (3): 73-91.

Lindex CSR Report 2009. 2009. Lindex.

http://www.lindex.com/Archive/pdf/CSR_Report_ENG_2009.pdf. Accessed 2 May 2011.

Lindex. 2011a. *The History of Lindex*.

<http://www.lindex.com/eu/Information/Information.aspx?id=3233554&path=3403475;3233544;3233554>. Accessed 2 May 2011.

Lindex. 2011b. *Our Fashion*.

<http://www.lindex.com/co/Information/Information.aspx?id=3233545&path=3403475;3233544;3233545/>. Accessed 2 May 2011.

Lindex. 2011c. *Financial Information*.

<http://www.lindex.com/eu/Information/Information.aspx?id=3233711&path=3403475;3233544;3233711>. Accessed 2 May 2011.

Lindex. 2011d. *Lindex Story*.

<http://www.lindex.com/eu/Information/Information.aspx?id=3494400&path=3403475;3233544;3494400>. Accessed 2 May 2011.

Lombardi, V. 2010. *Famous Quotes by Vince Lombardi*.

<http://www.vincelombardi.com/quotes.html>. Accessed 3 June 2011.

Maidani, E.A. (1991). "Comparative study of Herzberg's two-factor theory of job satisfaction among public and private sectors". *Public Personnel Management*, 20(4): 441-448.

Maslow, A. 1958. *Motivation and Personality*. 2nd ed. New York: Harper & Row.

McClelland, D. C. 1961. *The Achieving Society*. Princeton, NJ: Van Nostrand.

Miner, B. J. 2005. *Organizational Behavior I - Essential theories of motivation and leadership*. New York: Armonk.

Nationalencyklopedin. 2011. *Shanghai*.

<http://www.ne.se.ezproxy.ub.gu.se/lang/shanghai>. Accessed 17 May 2011.

Noronha, C. 2009. Culture and Business in Asia. In Hasegawa, H., & Noronha, C. *Asian Business & Management*: 101-123. Palgrave Macmillan.

Reisinger, Y. & Crott, J. C. 2010. Applying Hofstede's National Culture Measures in Tourism Research: Illuminating Issues of Divergence and Convergence. *Journal of Travel Research*, 49 (2): 153-164.

Sachau, D. A. 2007. Resurrecting the Motivation-Hygiene Theory: Herzberg and the Positive Psychology Movement. *Human Resource Development Review*, 6: 377.

Schramm-Nielsen, J., Lawrence P., & Sivesind K. H. 2004. *Management in Scandinavia: Culture, Context and Change*. Cheltenham: Edward Elgar Publishing Limited.

Shanghai Municipal Government. 2011. *Economic Structure*.
<http://www.shanghai.gov.cn/shanghai/node23919/node24059/node24064/userobject22ai36511.html>.
Accessed 18 May 2011.

Sweden Abroad. 2010. *Om Kina*.
http://www.swedenabroad.com/Page_20799.aspx. Accessed 20 April 2011.

Sweden Abroad. 2011. *Landfakta Kina*.
http://www.swedenabroad.com/SelectImageX/20427/LANDFAKTA_2011_Kina.pdf. Accessed 25 April 2011.

Swedish Chamber of Commerce, 2011. *Member Detail*.
http://www.swedishchamber.com.cn/web/Member_List.aspx?oid=f9718533-3791-443e-a117-05661bd3f49b. Accessed 20 April 2011.

Swedish Trade. 2011a. *Marknadsöversikt från Exportrådet april 2001*.
<http://www.swedishtrade.se/exportfakta/statistik-och-analys/marknadsoversikt/2011/april/>
Accessed 25 April 2011.

Swedish Trade. 2011b. *Om Kina*. 2011.
<http://www.swedishtrade.se/sv/vara-kontor/asien/kina/Om-Kina/>.
Accessed 17 May 2011.

Trompenaars, F. 1996. Resolving International Conflict: Culture and Business Strategy. *Business Strategy Review*, 7(3): 51.

Vestappen, S. H. 2010. *Chinese Business Etiquette: The Practical Pocket Guide*, New York: Stone Bridge Press.

Vroom, V. H. 1964. *Work and motivation*. New York: John Wiley.

Västsvenska Handelskammaren. 2010. *Så arbetar vi i Kina - svenska bolag berättar*.
<http://www.handelskammaren.net/Nyhetsrum/Arkiv/Artiklar/2010/2010/Sa-arbetar-vi-i-Kina---svenska-bolag-berattar/>. Accessed 3 May 2011.

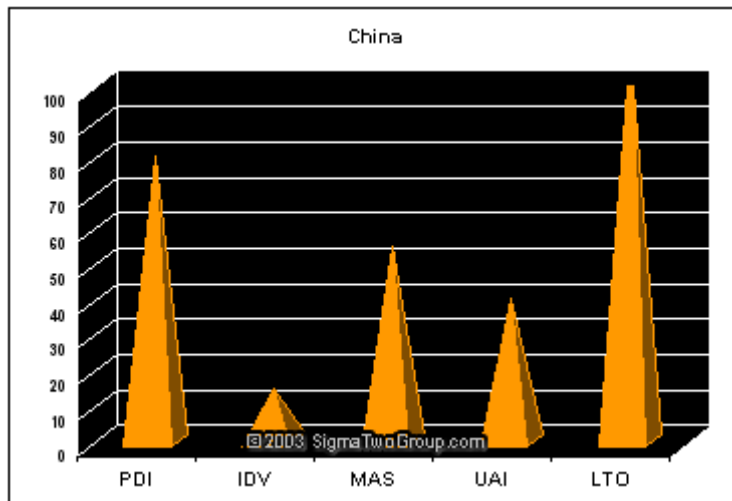
Yin, R. 2009. *Case Study Research: Design and Methods*. Thousand Oaks: Sage Publications.

Zhao, Y.W. 1995. 'Chinese' motivation theory and application in China: an overview. In H.S.R. Kao, D. Sinha & S.H Ng. *Effective organizations and social values*. New Delhi/Thousand Oaks/London: Sage : 117-131.

Zhu, C.J., & Dowling, P.J. 2000. Managing People during Economic Transition: The Development of HR. *Asia Pacific Journal of Human Resources*, 38 (84): 287-301.

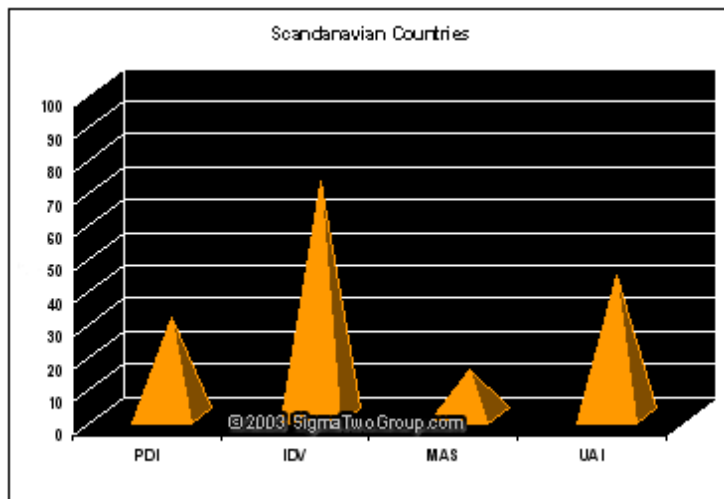
12. Appendix

Appendix 1



Chinese culture according to Hofstede.

Fig. 3. Chinese Culture (Hofstede, 2009b).



Scandinavian culture according to Hofstede

Fig.4. Scandinavian Culture (Hofstede, 2009c).

Appendix 2

Questions: Satisfaction/Motivation

Gender (female/male):

Age:

Nationality:

Position at Bestseller:

Please note that the questionnaire/interview is strictly anonymous and thereby, names will not be mentioned in the thesis.

1. What satisfies you the most at work?

Choose five (5) factors according to your preference, with number one (1) being the most important factor, the other factors having no preferential order.

Marked with (1) being the most important, others marked with (X).

If you have other factors, please add to the bottom.

Factors	Definition	Your Choice
Achievement	The act of accomplishing something	
Recognition	Being acknowledged, being “seen”	
Work itself	Your work tasks	
Responsibility	Duty or obligation to satisfactorily perform or complete a task	
Advancement	Promotion	
Growth	Personal growth	
Company policy and administration	Internal rules and norms at your company	
Supervision	Being monitored and regulated	
Relationship with supervisor	Contact with management	

Work conditions	The conditions under which you are working	
Salary	Your wage	
Relationship with co-workers	Contact with your colleagues	
Personal life	Your life outside work (family, friends etc.)	
Relationship with subordinates	Contact with people in a lower position in your company	
Status	Relative rank in a hierarchy	
Security	Job security	
Other:		
Other:		

2. What satisfies you in your personal life (outside work)?

Choose five (5) factors according to your preference, with number one (1) being the most important factor, the other factors having no preferential order:

Marked with (1) being the most important, others marked with (X).

If you have other factors, please add to the bottom.

Factors	Definition	Your choice
Achievement	The act of accomplishing something, running a marathon or owning a house etc.	
Recognition	Being acknowledged, being “seen”	
Work itself	Your work tasks	
Responsibility	Duty or obligation to satisfactorily perform or complete a task	
Growth	Personal growth	

Salary	Your wage	
Relationship with friends/family	Contact with friends/family	
Living conditions	The conditions under which you are living	
Status	Relative rank in a hierarchy in society	
Security	Feeling secure in your personal life, providing security to family	
Other:		
Other:		

3. Do you think that benefits and other incentives (bonus systems, promotion etc.) motivate your performance? If so, what kind of incentives motivates you the most? Do you feel that your company tries to motivate you, if so how?
4. Do you feel appreciated in your work? If so, how and by whom (subordinates, colleagues, manager etc.)?

Choose to answer one of the questions below; depending on if you are Chinese or foreigner.

Foreigner

5. Do you feel there is a difference in motivational incentives pursued by the company for which you are working for, compared to working outside China?
Have you seen a change in companies roles in motivating employees that, according to you, can be connected to the increased opening/internationalization of China during the last years?
Motivate your answer.
6. What are the biggest differences between you and your Chinese colleagues?

Chinese

- 7. Do you feel there is a difference in motivational incentives pursued by the company for which you are working for, compared to working in working in a wholly owned Chinese company? Have you seen a change in companies roles in motivating employees that, according to you, can be connected to the increased opening/internationalization of China during the last years? Motivate your answer.**
- 8. What are the biggest differences between you and your Scandinavian colleagues?**

Appendix 3

Questions: Satisfaction/Motivation

Gender (female/male):

Age:

Nationality:

Position at Bestseller:

Please note that the questionnaire/interview is strictly anonymous and thereby, names will not be mentioned in the thesis.

9. What do you think satisfies your CHINESE employees most at work?

Choose five (5) factors according to your preference, with number one (1) being the most important factor, the other factors having no preferential order.

Marked with (1) being the most important, others marked with (X).

If you have other factors, please add to the bottom.

Factors	Definition	Your Choice
Achievement	The act of accomplishing something	
Recognition	Being acknowledged, being “seen”	
Work itself	Their work tasks	
Responsibility	Duty or obligation to satisfactorily perform or complete a task	
Advancement	Promotion	
Growth	Personal growth	
Company policy and administration	Internal rules and norms at your company	
Supervision	Being monitored and regulated	
Relationship with supervisor	Contact with management	

Work conditions	The conditions under which they are working	
Salary	Their wage	
Relationship with co-workers	Contact with their colleagues	
Personal life	Their life outside work (family, friends etc.)	
Relationship with subordinates	Contact with people in a lower position at your company	
Status	Relative rank in a hierarchy	
Security	Job security	
Other:		
Other:		

10. What do you think satisfies your SCANDINAVIAN employees most at work?

Choose five (5) factors according to your preference, with number one (1) being the most important factor, the other factors having no preferential order.

Marked with (1) being the most important, others marked with (X).

If you have other factors, please add to the bottom.

Factors	Definition	Your Choice
Achievement	The act of accomplishing something	
Recognition	Being acknowledged, being “seen”	
Work itself	Their work tasks	
Responsibility	Duty or obligation to satisfactorily perform or complete a task	
Advancement	Promotion	
Growth	Personal growth	

Company policy and administration	Internal rules and norms at your company	
Supervision	Being monitored and regulated	
Relationship with supervisor	Contact with management	
Work conditions	The conditions under which they are working	
Salary	Their wage	
Relationship with co-workers	Contact with their colleagues	
Personal life	Their life outside work (family, friends etc.)	
Relationship with subordinates	Contact with people in a lower position at your company	
Status	Relative rank in a hierarchy	
Security	Job security	
Other:		
Other:		

11. Do you think that benefits and other incentives motivate your employees?

If so, what kind of incentives motivates them the most?

Are there differences considering how various incentives are received among Chinese and Scandinavian employees? Motivate your answer.

12. Do you feel there are differences in motivational incentives pursued by the company for which you are working for, compared to working outside China?

Have you seen a change in companies' roles in motivating employees that, according to you, can be connected to the increased opening/internationalization of China during the last years? Motivate your answer.

13. In general, according to you, what are the biggest cultural differences between your employees?

Regarding work approach, private life et cetera.